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# West Europe Report



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4 May 1984

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## CDU/CSU BUNDESTAG LEADER CRITICIZES FRENCH DEFENSE STRATEGY

Munich SUDDEUTSCHE ZEITUNG in German 22 Mar 84 p 8

[Report: "Dregger Dislikes French Strategy--'Dissociation From Partners in Security Policy'--Doubts in Forward Defense"]

[Text] Bonn (DPA)--Alfred Dregger, the leader of the CDU/CSU Bundestag deputies, has come out in favor of joint European defense planning, criticizing the French security concept and casting doubt on so-called forward defense. Writing in the journal DIE ZEIT, Dregger says that the foreign and defense ministers commissioned by President Mitterrand and Federal Chancellor Kohl should draft a defense concept which in the joint interest brings out the European military strength as effectively as possible. This would also test the credibility of German-French friendship.

Dregger criticizes France for having dissociated itself from its partners like no other NATO ally. France's main combat force, the nuclear "force de frappe," he said, exclusively serves the protection of French territory. Whereas the Bundeswehr [Federal Armed Forces] automatically protects France as well as its own country, the "force de frappe" is explicitly dissociated from insuring the security of the Federal Republic. Nor, says Dregger, are the Germans participating in the target planning or employment procedures of French nuclear weapons, "despite the fact that Germany, after all, on either side of the zonal border would be among the target areas of French nuclear weapons if these should be employed in the French interest."

Nor does there exist any binding coordination with the German allies or NATO staffs concerning the employment of conventional French armed forces, Dregger continues. The main task of the French ground forces was primarily to guard against access to French territory, and French air forces were not integrated in joint European defense.

No wonder France is just as anxious about isolationist efforts in the United States as about German displeasure at a security policy which does not take German interests adequately into account, Dregger writes. The French defense concept, he says, loses its basis if Germans and Americans do not play the role which France takes for granted as a prerequisite of its own strategy.

Dregger writes that the European Community has to be able to demand that each European ally be prepared to employ all of its weapons in behalf of any other European ally. Such solidarity, he states, permits a division of labor which reserves certain weapons--for instance, nuclear weapons--for individual partners, such as France and Great Britain. Among the conventional armed forces, a division of labor is imaginable in which "only part of the European allies participate in guarding the lifelines of NATO outside the territory of the alliance while others, such as the Federal Republic of Germany, do not."

In this connection Dregger poses the question as to whether the Germans, in the form of so-called forward defense, can be expected to accept a strategy which, already from the point of view of planning, would make Germany the main battlefield in a conventional war. "What is called 'forward defense' would in fact take place predominantly in the Federal Republic."

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## TINDEMANS, OTHERS ON INF, CIVIL DEFENSE ISSUES

Brussels KNACK in Dutch 18 Jan 84 pp 13-17

[Article: "Life and Death After the Flash"]

[Excerpt] Around the table. On 11 January, after a private screening of "The Day After", KNACK organized a debate about the film. The participants were: minister of foreign relations Leo Tindemans (CVP [Christian People's Party]); Andre Clymans of the cabinet of the interior, who at the last moment replaced minister Charles-Ferdinand Nothomb, for whom a showing had been arranged at the end of last year; Marcel Hebbinckuys, inspector general of civil defense; major general Toon Everaert, recently named head of the commission on national defense issues; Dr Jef De Loof, head of the Belgian section of the doctors against nuclear weapons, which has chapters in about thirty countries; Paul Van Grembergen, People's Union member of parliament; caucus leaders Ludo Dierickx (Agalev [expansion unknown]) and Louis Tobback (SP [Socialist Party]); Pol Vandeplassche of the atomic bomb shelter construction firm Antiatom, about which more next week. Frank De Moor and Frans Verleyen participated in the discussion on behalf of KNACK.

[Andre Clymans, National Affairs] I think that the film gives so little hope. Only the army is a more or less organized machine, in contrast to the complete helplessness of the civilian populace. Nevertheless, I believe that a government, the Belgian government too, can do a lot to help and defend the public if such a catastrophe should happen. We are not so completely defenseless and unarmed. In the film, the radio only gives political messages, up to the last moment. Why were there no instructions on self-defense?

[Question] But the famous brochure from the ministry of the interior has been lying in your basement since the fifties...

[Clymans] Of course we do have a plan which says when we will start using the media for broadcasting essential advice.

[Ludo Dierickx] That is not true. When we ask the foreign affairs minister about accidents at a nuclear power plant or the explosion of a nuclear warhead at an elevation of 300 meters, he says he knows nothing about it. He told us that that is a personal matter! Whoever claims that the depiction of the facts in the film was inaccurate still has to prove his claim.



[Dr Jef De Loof] The film casts much too rosy a light on things. The birth of the child represents new hope. But in Hiroshima half of the children born after the catastrophe were either deformed or not even able to live.

In the film you did not see anyone vomiting. Well, from the first day on that will be horrible. The doctor who himself is exposed to radiation will not get to work, he will vomit and have diarrhea for days. It will be an incredibly dirty place. No animals will survive. The cities which are hit will continue to burn for days. They showed us jeeps with fuel picking up bodies. That is simply impossible: there will be no gasoline left after a nuclear flash.

The optimism in the film seems rather dangerous to me. A nuclear war will be quite different: the destruction of mankind. As a doctor, I have drawn my own conclusions from that. Mankind should not supply money for anything that make a nuclear war possible.

[Tindemans] That would be the big debate. You would have to destroy human genius in order to prevent the existence of atomic weapons (and other gruesome refined military technology). What method, what strategy you need to go on living in our time in the face of that reality--that question demands a whole new way of thinking. There are very few people seriously considering those issues. A lot of the gruesome things shown in the film is part of human nature: looting, killing each other... Politicians also have to consider that when they try to work out a strategy: how to prevent all of that? I myself stand behind the thesis of the NATO double decision, because I have not yet seen anything better. However, it does require a lot of analysis which public opinion cannot always follow.

The film also makes no distinction between strategic nuclear weapons, medium or short-range missile, and so on. Nevertheless, the actual danger of a given nuclear conflict partially depends on such matters too.

[De Loof] That is correct. And the solution to the problem is not to try to hide the nuclear weapons. They exist, and if we get rid of them now, they can pop up again in the future. But we should accept lies about their consequences.

[Louis Tobback] Halfway through the film, someone says "Folly always reaches its goal." I think that a number of European governments, the present Belgian one included, are indeed well along the way to reaching folly's goal. That worries me the most: we have no political response to the danger. We simply cannot get the matter under control, so we say that it is the other peoples' fault. That is what Mr Tindemans' "day before" is, nothing else. Threatening the other party with suicide.

There is no hope for the day after. Even less than the film makes it appear. Kansas is an open, sparsely populated area. Western Europe is filled up. After a conflict, even one with fewer bombs than in the film, nothing would be left standing. It is absurd. Let me remind you of what the reserve officer

and attorney general Andries recently said: "My problem as a reserve officer is that nuclear war does not even fall within my military ethics. It is pure absurdity in action."

[Tindemans] Still, you can only keep peace, or help to do so through your influence, if you retain your credibility. Political and military credibility. You only get it through an accumulation of little facts which lead to the conclusion: those are serious people. We collaborated on the double decision, but also on the fact that, in accordance with a proposal by Belgium, the Atlantic Council is going to work out the second wing of the Harmel doctrine, that of openness to dialogue, the first being steadfastness.

Inside the circle

[Question] Can a small country like Belgium say: "We'll wait to station the cruise missiles until the superpowers have met at the negotiating table again?"

[Tindemans] That is not possible, because you would cause new problems by doing that. Then you would place far too great a responsibility for the missile program on West Germany. Then that country would get the leading role in the European defense system. And you are aware of the Soviet Union's special sensitivity toward the Federal Republic.

[Question] Don't forget the British and the French.

[Tindemans] That is inaccurate. The British are on an island. Italy is deploying in Sicily. The French have their own weapons and they are not part of the NATO military organization.

[Dierickx] I think that Tindemans' theory is based on the illusion that humanity will never lose its self-control. History proves otherwise, at the cost of millions of lives. Can't Belgium set an historical precedent by keeping at a greater distance from NATO doctrine?

[Tindemans] No one would take that into consideration. In fact, it could even increase the threat. Don't forget that Belgium joined the NATO after half a century of going back and forth between neutrality and alliances. That did not help us--at least we learned that lesson well from World War II. And today it is still the case that Western Europe cannot build up a defense system without being covered from behind by the United States.

[Question] In the film, an American woman herself says, "We are not going to sacrifice Chicago for Hamburg." Don't you every get the feeling in your work that we are a kind of little satellite nation?

[Tindemans] We can leave NATO, tell it to go to hell.

[Question] Without dire punitive economic measures?

[Tindemans] I don't believe that. Belgium is at a great disadvantage in our balance of trade with the United States. But you have pointed out the sore spot. In August 1979, Henry Kissinger came here and told us that the American nuclear umbrella is no longer credible, due to the difficulty trade-off between Hamburg and Chicago. That made us regard the problem of European security from a different perspective.

[Tobback] So that's why we are still involved in stocking up endless supplies of missiles. I have heard that for ten years now: we have to go along with it, otherwise we will have no influence on matters. Every time I have seen us going along with things, saying yes. I just haven't seen us gaining any influence. And that situation is the backdrop for growth of the political problem: won't the United States cast the fate of Western Europe aside for the sake of its own security? Whoever does not dare to ask that question is sticking his head in the sand. And, to get back to the film: the reality will be a hundred times as bad in Western Europe as what the pictures showed.

[Major General Toon Everaert] Not for everyone. Of course, for people at the center of the explosion, there is no hope. But farther away, children will be born and there will be places where people will survive by helping themselves, by holing up in a basement with a supply of food. We mustn't be nihilistic. There is action possible. It is good for people to know that we are also working on that here in Belgium. Our civil defense covers four domains: survival and maintenance of the administrative system, of the government and the provinces. Secondly: protection of the people in the broadest sense of the term. Then supplies to people and industry. Finally, the help that the nation can give to the military operations which will be taking place in the meantime.

[Question] The military is always preparing for a war like the last one... and it was conventional.

[Tobback] If one SS-20 with its three warheads (36 times Hiroshima) were to spread out over Antwerp, Bruges and Ghent, do you think that there would be any industry left in Flanders?

[Everaert] Civil defense has to extrapolate from the most likely, most rational data. Those data are supplied by the political arm of the government, as are the funds. We cannot bury ten million Belgians, that is inconceivable. But even after three explosions in Flanders there would be plenty left that is worth saving.

[Tindemans] The new nuclear weapons are very accurate, and at least in that regard they are less massively threatening than large strategic weapons.

[Marcel Hebbinckuys] It is much too easy to say "16 times Hiroshima". The relation between the force of a bomb and the destruction it causes is not linear, it is logarithmic. To calculate the heat wave, you use the square

root, and for the air pressure you use the cube root. Then you do arrive at figures which show that there would be a lot left standing after three projectiles in Flanders.

Likewise, an explosion in the air is not the same as one on the ground. The first has almost no radioactive fallout. The second one does; it is sucked up by the heat wave and floats along on the prevailing winds. For the last 20 years we have had the means to produce very accurate weather predictions of nuclear fallout throughout all of the country.

[Dierickx] Your British colleagues have a guideline that says that after a nuclear attack, the survivors must cordon off the contaminated zones. In other words, people within the circle have to die. Do you have a similar guideline.

[Hebbinckuys] Certain zones will be delineated to ensure that people who have not received radiation do not enter them. Whether or not doctors will be sent there is a matter for public health authorities. In every country there are plans for that kind of problem; there are all based on the premise that help is really possible.

[De Loof] We, the doctors against nuclear weapons, have intervened against this kind of optimism. Do not underestimate our movement. It counts fifty thousand medical doctors throughout the world. And we do know that aid can be given in the case of a single bomb (as in Hiroshima), although only relatively late. Even though the Japanese were well organized, it took two days before they could get into the city. And, unfortunately for those who lent assistance, they did not know a thing about the dangers of radiation back then.

Letters to the editor

[Question] One question, doctor. Have you received specific medical guidelines from the government?

[De Loof] We have asked for them, but have not received any. The relevant plans are military secrets. That is one of the things that I just cannot understand. Just like the theory of credibility: the term itself is related to the greater probability of use. The Russians have shown us exactly what would happen then: if 10,000 megatons are deployed (that is 5000 explosions on the ground and 5000 in the air), 314 million Europeans will die, either immediately or within a couple of weeks. The thermal radiation and secondary fires will claim the largest number of victims. Without fuel and transportation, there will not be any fire fighting.

[Tindemans] I am listening to you very carefully, but I feel it risky for medical science to get involved in political matters. As far as the European theater is concerned (I dislike that term): the strategic weapons in the film are not involved. The SALT talks on them were conducted between the United States and the Soviet Union, without involving NATO. When the SALT had just been concluded, the Soviets started stationing their SS-20, a weapon that Western Europe has no answer to, any more than the NATO doctrine of flexible response does.

It is a weapon that cannot reach the United States, so it presents no danger of strategic attack. That Soviet initiative now is threatening us innocent Belgians. Brezhnev always denied that such an imbalance existed, back when there were 100 SS-20's and later, when there were 200. Now the Soviets have more than 360 of them. Give me an explanation for that and tell me how we can take away the temptation of being the stronger party from the Soviets.

For us, that is the heart of the matter, "the day before". Not the consequences of a possible attack, which we obviously have to consider along with the doctors, public health officials and civil defense.

[De Loof] As doctors, we talk about medical aspects of the problem. But our medical conclusions automatically have political import because they are so frightening. You cannot blame us for thinking about the political and strategic aspects of the issue as citizens. And then we come to the conclusion that the medium-range weapons reserved for Europe primarily serve the interests of the superpowers: now they can go into the conflict without risking their own existence. A Pershing in Kiev does not have to be avenged by a strategic missile strike in New York.

Let me carry this a bit farther. There had been Russian nuclear weapons (SS-4 and SS-5) aimed at us since 1969. The SS-20 is a modern version of those (just as the Trident has replaced the outdated Poseidon and Polaris), but it does not have more, in fact it has less destructive power than its predecessors. Nevertheless, modernization was carried out in both camps, always in the same context: they place the existence of every human being at risk.

Russia made the SS-20 when we got the Trident. And now, of course, we Europeans are starting to form a threat to them. That is not what we want, but that is the way they can regard us. That means the danger is increased, partially because the new weapons will be moved around in case of a crisis so that they will be difficult to destroy. That will increase the temptation to attack at an early stage, while they are still mobile. All the more because, in Soviet eyes, a counterattack by the Americans is far from certain.

[Tindemans] In other words, you are saying that we pose a threat to the Soviet Union?

[De Loof] No, that is the way they see it, or could see it.

[Tindemans] Don't you see the tremendous difference between them and the Western European democracies? We have public opinion, they don't. Just imagine a partial mobilization in case of aggression. Once we went to Shaba, for a strictly humanitarian operation. For three days, the Belgian Radio and Television made films, interviewing spouses and fiancées at the barracks gates. "Where are you going?"--"I'm not allowed out tonight..." Just try to organize an aggressive attack in a Western parliamentary democracy!

[De Loof] That was real easy for the Falkland war.



[Tindemans] If there had been decent defenses, would Argentina have invaded? And if Japan had had the atom bomb, do you think the United States would have dropped one on Hiroshima? Just think about that for two minutes when you are alone. Aggression from the West is inconceivable. But the nature of marxism-leninism, the Soviet state without public opinion, cannot be compared to us.

[De Loof] Now I must speak from my experience. The totally closed Soviet society no longer exists. Just look at the letters to the editor in PRAVDA. In our organization we see more and more relatively independent people. Of course, they do have to be a bit cautious, but they have important positions. Brezhnev's or Andropov's personal physician really can say what he thinks. The president of the academy of sciences can too. Those people come quite normally to our conferences, not en bloc, as they used to. They exert as much pressure on their leaders as we do here.

[Tobback] NATO politicians are not as innocent as Tindemans claims. Helmut Schmidt wanted to include European tactical nuclear force weapons in the SALT agreements (and, by the way, in the same context raised the issue of new missiles in London), but president Carter refused. That is the historical truth.

[Tindemans] We still can conclude a separate agreement on this kind of weapons, I hope.

[De Loof] Denmark dared to refuse the new missiles.

[Tindemans] That was in 1979; I was not in the government then to help decide the question of who would and who wouldn't be involved.

[De Loof] You say that credibility is important. There are other things that are important too.

[Question] Do you mean to suggest, with the appropriate nuances of course, better red than dead?

[De Loof] No, I am suggesting that you should dare to reject past decisions in the light of new facts. There comes a moment that you have to be able to say: look, our country is threatened in its totality, and I do not want to be responsible for the death of every Belgian...

[Dierickx] Total democracy versus total danger.

[Tindemans] That is another debate. But I do know this for certain: we cannot defend ourselves without the United States, though we do not have to turn into Americans. But we are not doing that anyway. Within the NATO, Belgium is a very incorrigible pupil. There have been numerous decisions that we have not gone along with. And sometimes we do not even carry out things that we ourselves have proposed. Such things have led to a strong anti-European sentiment in the United States. There they think we are know-it-alls who do not want to do anything for their own defense.

[De Loof] I think that the matter is exactly the other way around.

[Tindemans] By no means, I can give all sorts of evidence.

[De Loof] I believe that I am right as long as no one can prove that I am wrong. It is not a matter of European pretensions: the missiles are too dangerous for us.

[Tindemans] But it was the Europeans who asked for them!

[De Loof] No, Schmidt asked for them. It was not us. Anyway, I do not think that he would do it again, if he could.

[Tindemans] Now the debate is falling apart. You know that Germany is a divided country, that a third of the West Germans are refugees who have clear ideas about the other side. Here we pretend to live on the moon and try to teach the rest of the world about what the Brezhnev doctrine means. Among intellectuals, you can have all sorts of well-intended concepts, but there also exists a raw military reality.

[De Loof] Don't tell me that it is so unrealistic to believe that the missiles increase the risks for our people. You asked, "better red than dead?" In all of my hypotheses I do refuse death. Living in a communist country most certainly limits your freedom. Dissidents are threatened with psychiatric clinics, and any free thinker can encounter difficulties for his entire family. But passive resistance is possible. I would prefer such circumstances to the death of all mankind.

Tindemans, who had already stayed longer than planned, urgently had to leave the discussion at this point: "I opt for 'neither red nor dead'."

[Question] How unlikely is the outbreak of a nuclear conflict?

[De Loof] It still is unlikely, but the risk is growing.

[Toback] Not for the United States, but for us.

[Question] Do the authorities have exact scenarios, simulations of what would happen in concrete terms in such a case?

[Toback] I wonder that too, but I am certain that it will be too late to do anything. Creating illusions makes a war like that more acceptable politically, and I am opposed to that. I am opposed to bomb shelters and things like that. I can just imagine it happening: there are four in my family (cynically, I already have written off the rest relatives), so there is a good chance that I will already be in my bomb shelter with one of my sons and have to keep the door closed from my wife and other son, since they have been irradiated. That problem occurs in the film. Or else I will have to help my family members die, and all that. Well, I really do not prefer to return to such a beastly world. That is my personal choice.

Finally, one thing strikes me as very liberal in this issue. For a long time I have tried to understand what Christians mean by "a sin against the spirit". Well, I believe that nuclear weapons fit that description perfectly. They destroy any form of moral or religious values. I find it hard to comprehend that there are religious people who are less concerned about the hundred thousand or million dead than I am. You would have to take a revolver in your hand to shoot down people who otherwise would endanger the survivors. You would have to organize mass murder, homicide and euthanasia on an incredible scale. For the sake of maintaining order.

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## ANALYSIS OF CURRENT 'CYPRUS ISSUE' IMPASSE

Nicosia KHARAVGI in Greek 19 Mar 84 p 3

/Article by Akis Fandis: 'Where the Adoption of a 'New Policy' Leads the Cyprus Question and Why the Dangers are Many More and Deadly.'/

/Text/ Recently there has been an increase in the arguments around the issue of the "two policies." Both United Democratic Union of the Center /EDEK/ Chairman Lyssaridis and Archbishop Khrysostomos--as well as other political leaders--continually tell the same story--that the policy we followed until now on the Cyprus problem assumed that we had "to appease" the invader and to make continuous concessions.

Both of them now do not fear repeating the need to adopt a "new policy." What is this new policy? To abandon the 1977 policy and tactics (a policy of concessions) and to adopt the strategy "which would render unattainable Turkey's final goals."

The cornerstone of EDEK's and Khrysostomos' strategy is the theory about Greece's "dynamic involvement" in the Cyprus problem. Additionally, there is talk about the arrival in Cyprus of a Greek Army division.

How sound is the new "strategy" they propose we follow? How effective will it be for a peaceful and viable solution of the Cyprus problem? How will it free us from the "harmful" course of continuous concessions? These questions assume a particular importance today in view of the fact that on other levels too there are discussions on a "radical review of our policy."

The first--and fundamental--fallacy of those supporting a revision of the 1977 policy and tactics lies in equating it with the continuous concessions, without taking into consideration the fact that the 1977 policy and strategy were adopted not because of their being welcome, but because they were deemed as the most practicable under the conditions created following the coup and invasion in 1974.

If, therefore, someone wants and insists on talking about abandoning the policy of concessions, he should persuade us that the political approach adopted by Makarios was wrong; that it represented concessions and "reservations"; and that it must be abandoned.

The appeal to the argument about continuous concessions cannot possibly stand logically with the explanation some persons give that "our side gives without taking" on some issues discussed at the round table. Why does not this argument stand logically?

Because the biggest concession on this issue was achieved by the force of arms in 1974 when we lost 37 percent of our land; and because the greatest political concession we were forced to make by military threat was the adoption of the line for a federation.

Therefore, it is trivial to call 23 percent or 25 percent of the land as a concession compared to the 1974 and 1977 concessions. By extension, the main question arising now is not whether we are "conceding" in the negotiations (the inter-communal dialogue) based on the UN secretary general's formula, but by how much our "conceding policy" should be replaced; and how much this replacement would lead to better results than those to which perhaps would lead us the policy of an acceptable compromise through the establishment of a federation as adopted in 1977 under Makarios.

It should also be made clear whether the new policy would enable us to neutralize now-established facts and new concessions such as, for example, a possible settlement of Femagusta, the occupation of the "dead" zone, or the demand of a confederation.

At the root of all these rationalizations, speculations and views about the question of policy should, in my opinion, lie the question:

Are we for or against the search for a mutually acceptable solution--through an acceptable compromise--which will result from the inter-Cypriot talks based on the formula of the UN secretary general?

If the answer to this question is positive then unavoidably we must be ready to encourage the secretary general to go ahead.

The reverse question is: Would abandoning this policy of approach and substituting it with another bring us the desired result?

"Yes", say those who favor abandoning the 1977 policy, adopting a "new policy" and supporting the theory of the dynamic involvement and the arrival of a Greek Army division.

We, too, would say "yes" if they would persuade us that this celebrated new policy would lead the Cyprus question to its desirable peaceful, viable solution as Lyssaridis claims.

The question, however, is: Does the new policy lead to a peaceful and viable solution of the Cyprus problem? Does the dynamic involvement of Greece solve the problem peacefully and in a viable way? Does the arrival here of one, two or three Greek divisions ensure a peaceful and viable solution?

The opponents of the 1977 policy and the skeptics of the "radical revision" are asked to answer the above questions. Our own answer is negative. The new policy, as its initiators present it, means exactly abandonment of the peaceful procedures for finding a solution to the problem. It means abandonment of the "sterile" dialogue through the UN secretary general and its substitution with something fertile: A war and dynamic imposition!

"No, no, we do not mean war..." the followers of the new policy will hasten to tell us. But if it is so, if they do not mean war, then what is the need for Greece's dynamic involvement and the arrival of the Greek division? To scare Turkey? Or to force it into concessions?...

This seems to be the theory of EDEK's chairman who, speaking to the party's administrative council, revealed the "new approach" and the new policy he supports. The USA fears a dynamic involvement by Greece and a Greek-Turkish confrontation which will have as a result the dissolution of NATO's south-eastern wing. Thus--concludes Lyssaridis--the USA will move to bring Turkey to its senses.

Thus, we reach the point of examining the most critical link of the chain which represents the new policy: Will war solve the Cyprus problem? Or--albeit--will the dynamic involvement and the presence of an Army division act as a catalytic factor in bending the Turkish intransigence, in making the inter-communal talk meaningful and in reaching a peaceful and viable solution to the Cyprus question?

There are more than one reason that prompt anyone with elementary logic to answer negatively. We don't believe that much persuasion is needed to show that neither of the aforementioned methods will lead to a peaceful and viable solution of the problem. And no arguments are needed to persuade our readers that the USA will not turn against Turkey (in the event of a Greek-Turkish confrontation as Lyssaridis figured out).

What we need to reemphasize is the general and unshakable conclusion that in the event of "games" with "wars" and dynamic involvements and army divisions the result for Cyprus will be complete catastrophe.

Those who disagree with this position and support the opposite view are asked to persuade us that their position is the sound one. They are asked to weigh the policy of an acceptable compromise on the basis of a federation against the new policy of dynamic intervention and the Greek-Turkish confrontation. If the first policy contains concessions, then the second does include simply concessions but also complete catastrophe.

Therefore, those who are trying to sell us "inflexible" policies should be more elucidative, because if the result of their unyielding stand and their dynamism will be the full destruction of Cyprus--as we do believe they will be--then it is one thousand times better to save the country with an acceptable compromise on the basis of the 1977 policy regardless of how concessionary this policy is considered.

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CS0: 3521/220

## EASTERN SHORE OIL SEARCH BECOMING MAIN CAMPAIGN ISSUE

Reykjavik MORGUNBLADID in Icelandic 14 Apr 84 p 23

[Article by N.J. Bruun: "The Search for Oil A Major Campaign Issue"]

[Text] The search for oil in Jameson-Land on the Scoresby Sound in Eastern Greenland will be a major factor in the parliamentary elections to take place this 6 June in Greenland. Arkaluk Lynge, chairman of the Leftist Inuit Atagatigiit Party, let it be known in an interview with Greenland television that if his party gains enough support to have influence on the formation of a government after the elections, it will be a pre-condition for his party support that the search for oil in Jameson-land comes to an end in no more than five years.

In the coalition government that held power in Greenland until the parliament was dissolved, Lynge's party was, with its two seats, situated in between the Siumut Party and the Atassut Party, each of which held 12 seats.

At present the Ministry of Greenland Affairs and the government are well advanced towards an agreement with the United States Arco (American Richfield Company) on permission for an oil survey in Jameson-land. Millions of kronur have been spent in preparation for the survey and the company is prepared to spend still more millions next year, when the agreement has been signed, as it will in all likelihood this spring.

Arkaluk Lynge felt that it would be more realistic for Greenland to depend on coal and hydro-electrical power rather than on oil, which would mostly go to Europe and would be of no benefit to Greenland. In addition, there has long been disagreement on the environmental effects of oil on the region. There would be a major movement of oil and supply vessels around the Scoresby Sound and through the ocean between Greenland and Iceland giving rise to much the same fears as for the west coast of Greenland where sailings of Canadian ships with natural gas are frequent. And the sailings of the Canadian ships are an eyesore to many Greenland politicians due to fears of contamination.

## CONCERN OVER ESPIONAGE ACTIVITY, TRANSIT

Vienna DIE PRESSE in German 22 Mar 84 p 3

[Report by correspondent Peter Amstutz: "Suggestions of Hikes for Spies--Switzerland as a Country of Transit for Intelligence Services"]

[Text] Bern--Being too "open toward the world, international entanglements, economic importance and being the host of international UN organizations in Geneva" have made the neutral Alpine country of Switzerland "a country of transit for intelligence services." Sketching this current situation, Peter Spaelti, Liberal member of the National Council from Zurich, has called on the government in Bern to take energetic action. The deputy reproached the Federal Council for having played down the espionage activity of East bloc diplomats with too much diplomatic detachment. "The argument that Switzerland is no police state and does not have relevant means of control," he said, "must not lead to no measures being taken into consideration."

Chances are that such encouragement from Parliament is just what Justice Minister Rudolf Friedrich wants. According to the latest findings by the Ministry of Justice in Bern, the "procurement of information with an intelligence service background on the part of foreign offices" has assumed disquieting proportions; "a prominent place continues to be taken by the procurement, being pursued with persistence, of mapmaking documents and other forms of surveying."

In his information bulletin "Winterthur and Environs" Bruno Camanni, transport director of Winterthur, Canton of Zurich, recently described how Eastern institutes, libraries, schools and also private individuals get down to business. The GDR State Library in Leipzig or also the Statistical Office in East Berlin, judging by many queries submitted in writing, have shown themselves "especially keen on suggestions for hikes, bicycle paths, town maps and prospectuses containing general and detailed maps."

The Association of Swiss Spa and Tourism Directors then noted that similar requests for information had "often been received by places in the proximity of military installations." Particular interest was shown in each instance in infrastructure such as rail connections, water supply and the like.

As early as February 1982 the Swiss Central Office for Overall Defense in a letter to all authorities of the country and also private media warned that the intelligence services of East bloc countries were systematically collecting harmless documents for "malicious use in an intelligence puzzle," and "in certain libraries actual offices for the procurement of intelligence of intelligence services are involved."

Since that letter was circulated 2 years ago, the "scope and purpose of such procurement activity" has become even more apparent, states an announcement by the Swiss Office of the Attorney General. "The main interest is in large-scale general and detailed maps supplied by cantons and communities. In addition there are, however, also requests for information about installations for the supply of energy, survey statistics, development plans, energy models, transport plans and such. Of late, procurement lists have also included documents concerning emergency supply and civil defense."

Receiving offices having become somewhat more cautious, requests from the East were now increasingly made on the commercial route via distribution centers and bookstores. "This shows how persistent the efforts of procurement are," concludes the Federal Office of the Attorney General.

The Soviet airline Aeroflot too apparently is engaged in intelligence concerning the Swiss Alps. In May 1982 Tiger fighter planes of Swiss airspace surveillance forced an Ilyushin 76 which twice had deviated from the correct flight path and flown over maneuver terrain to land at Zurich-Kloten.

After an hour's questioning of the crew and the taking down of statements, the incident by and large was over. Not in the eyes of member of the National Council Edgar Oehler, however. The Christian Democrat from the eastern part of Switzerland addressed the following question in Parliament to the Federal Council: "Is the government aware that highly sensitive cameras installed in Aeroflot planes can take photographs at an angle of about 171 degrees and are therefore in a position to survey our entire country?"

While Aeroflot Director Leonid Barbanov then secretly vacated his office in Geneva and departed for Moscow, the Federal Council in Bern took the following position in a letter to Member of Parliament Oehler: "There is no evidence that cameras are in fact installed in Aeroflot planes. Apart from that, according to prevailing law, aerial photographing is permitted, without prejudice to legislation concerning the protection of military installations."

This very generosity is suicidal in the final analysis, according to the initially mentioned Member of the National Council Spaelti, who says: "The same regulations apply to foreign diplomats as apply to a Swiss citizen who in the area of Sargans may be on a hike through highly important military terrain."

Whereas East bloc countries have put aside prohibited military zones no diplomat may enter, he says, Bern generously ignores the "obvious clash of interest between protection of the state and the principles of diplomatic relations." The fact that about 200 cases of espionage have been uncovered in the past 30 years, in the opinion of a number of members of parliament, were justifying "the taking of measures against intelligence activity being conducted under the cover of diplomatic or consular tasks."



## ARMED FORCES OPENING MORE POSITIONS TO WOMEN

Helsinki HELSINGIN SANOMAT in Finnish 1 Apr 84 p 9

[Text] Lappeenranta (HS)—A situation where the only female employee in a men's school is a typist with tightly knotted hair is getting to be a historical rarity nowadays.

Occupations that require a fairly high level of training were opened to women too in the Armed Forces when qualifications were revised in connection with last year's change in regulations. Military service is no longer an absolute requirement, not even for construction contractors who want to serve with the Armed Forces .

Most of the approximately 5,500 women who are serving with the Armed Forces still, however, perform traditional office and mess-hall jobs.

Women even constitute a majority at some work stations.

The completion of military service requirement was eliminated last year from the job titles: detachment head, construction contractor, chief mechanic, mechanic, assistant mechanic, electrician, chief electrician, machinist, foreman and watchman, among others — women may also apply for these jobs.

"We have already been swamped with applications for watchman and foreman positions," was how detachment secretary Seppo Oksanen of the General Staff command unit described women's interest in them.

At the present time a woman is with an exemption serving in the Armed Forces as a military counsel and unit chief on the General Staff.

The number of women in the Armed Forces began to rise especially at the end of the 1970's and start of the 1980's. At that time over 200 women from Post and Telecommunications Administration and other telephone exchanges that had been automated entered the Armed Forces as message-center operators.

About 400 of the employees paid with Labor Ministry employment funds are thought to be women.

"Through tasks performed by women who are not members of the military, men who have received military training can be better freed for field operations," said Col Aimo Airola, the head of the officers training school located in Lappeenranta.

He said that cadets usually clean their own rooms every day, but once a week salaried cleaning personnel come and do a more thorough cleaning job.

They would rather not use enlisted men as much as before either for those jobs that are not the purpose of military training. So women are more and more busying themselves with mess-hall chores and sweeping up.

#### Female Joe Blows

"Tredje Plutonen ar klar for lektionen. Styrka 36, borta...." [The third platoon is ready for its lesson. Thirty-six present...absent.] Instructor Tarja-Liisa Heikkila is just beginning her Swedish-language class at the Officers School in Lappeenranta.

After 9 years experience as a teacher, she receives the report in routine fashion.

"At first I sometimes felt like laughing, especially when I had to look the cadets in the eye," Heikkila spoke of her early days as a teacher of cadets.

Heikkila and, aside from her, four other instructors are probably the only women whose lot it is to receive such military treatment.

The number of women staff members of the Officers School increased sharply in the 1970's when the Noncommissioned Officers School became the Officers School. Five of the instructors are women and two are men.

In instructor Heikkila's opinion, the teaching load is easy; disciplinary problems are not. However, the motivation to study the second official language is not always the best, since for many English is a strong language.

Anja Haatanen has been serving the Armed Forces as a clerk in the command post of the Officers School for 30 years now. She began her career in classical fashion as a typist on a military district staff.

"The work is a job for Joe Blows," Anja Haatanen described it. In the command post she sorts and records incoming and outgoing mail and handles personnel affairs. With her other hand she takes care of the cadet card file and subs for the officer in charge of the office, who is away.

Along the same corridor another clerk, Pirjo Leinonen, is busy tackling pay-rolls, travel calculations and other work involving figures. She has been working for the government for 10 years--for remuneration that is long but lean.



"We've had to sew on all the buttons here to the tune of machine-gun fire," Pirjo Leinonen said. To be sure, she only tried out shooting when she visited the firing range out of curiosity.

In Pirjo Leinonen's opinion, at least working in male surroundings beats working in a bank office with 50 women. Sgt Bo-Erik Green, who was sitting at the other side of the table, was the only object that reminded us of the Army; otherwise, the office exuded a casual civilian atmosphere with its postcards glued to the walls and sickly Christmas poinsettias.

#### Army Pays for Librarianship Course

After the mess hall, the study materials center at the Officers School is the workplace in the school where women are most predominant. To be sure, the six women's superior is a lieutenant.

In the opinion of Eija Rantanen, who was turning out mimeographed copies, there is hardly anything to prevent the superior from being a woman.

In her opinion, the women are now in a considerably better position than years back: Most of the women's contracts have become contracts for permanent employment. The Officers School's other enlisted woman, Anne Nyman, also has an office in the study materials center. Different drawings used for teaching purposes are produced on her drawing board. She looks after the school's collection of slides and photographs important events at the school.

Enlisted men have their own uniform, which is not very well suited to working at the drawing board. They are right now replacing the terylene uniforms designed in the 1960's with new ones.

The newest part of the study materials center is the library, which has been in operation for a year now. Aila Pulkkinen, who is responsible for running the library, said that the library contains mainly works on military history and other professional literature.

Aila Pulkkinen is one of the rare employees who, having acquired competence as a branch librarian, is now participating in a librarianship course paid for by the Armed Forces.

Women are not usually given assignments involving training to qualify in some field; they have to obtain it in civilian life.

#### They Taste Reindeer Meat

Otherwise women in Army service still live on male terms. They are indeed represented on boards and committees, but generally the most unimportant positions are left to women.

Laughingly, the kitchen personnel speak of a reindeer meat tasting board. There actually is a committee that inspects reindeer meat through sensory perception — a woman is a representative on it.

In the Officers School mess hall Kati Laitinen, the school's second in charge of the predominantly female mess-hall staff, sat down for a minute.

In her opinion, it was easy to prepare meals there in comparison with some other dining room of the same size.

"Here, you're sure that they'll come to eat; every table is filled in order and precisely."

The kitchen staff, altogether about 15, consists predominantly of women — several of whom have received training as cooks — with the exception of enlisted men helpers.

The women who work in the kitchen also go along with the men into the field on major exercises. The school provides them with cold-weather gear and the food is prepared in a kitchen shed.

The women do not have to spend the night in tents; instead they always look for rooms for the women to be billeted in.

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CSO: 3617/133

## SURVEY OF 1984-87 FOREIGN LOANS

Nicosia TA NEA in Greek 8 Mar 84 pp 1, 3

/Text/ In a memorandum it submitted last Saturday to the Economic Advisory Committee which includes also representatives of syndicalist and employer organizations, the Ministry of Finance stated that in 1984-87 Cyprus will contract foreign loans totaling 150 million pounds.

According to the ministry's memo the fiscal deficit during the 1984-87 period is expected to be: 74 million pounds in 1984; 86.3 million in 1985; 78.5 million in 1986 and 64.9 million pounds in 1987. Again, according to the memo, these deficits can be covered by large-scale borrowing abroad as follows: 19.8 million pounds in 1984; 41.4 million in 1985; 42.9 million in 1986 and 44.7 million pounds in 1987.

The Pan-Cyprian Labor Federation /PEO/

PEO issued an announcement stating its positions as presented during the Economic Advisory Council meetings and its great concern about the anticipated development of the fiscal deficit. It warned that if the present trend is allowed to continue the development of the public finances is expected to become critical.

PEO also warned that the cash deficit of the three budgets is expected to be almost double that stated in the Finance Ministry memo. Referring to the excessive number of public employees, PEO observed that "many unjustified hirings were in the past and are now being made, that taxes should not be imposed on workers and employees but only on employers and that in the next few years civil service salary increases should be avoided (except the annual increment increases)."

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CSO: 3521/219

## SYMPOSIUM ADDRESSES MINING INDUSTRY DILEMMA

Nicosia KHARAVGI in Greek 14 Mar 84 p 1

/Text/ On Friday, 9 March 1984, the Association of Geologists and Mineralogists of Cyprus /SGMK/ held an open discussion at the Kleopatra Hotel on the "Problems and Prospects of the Mining Industry."

Former SGMK President Dr. A. Panagiotou acted as coordinator. The speakers were: Dr. G. Konstandinou, chief of the Geological Surveying Section; Gl. Kronidis, chief of the Mining Service; and Dr. G. Maliotis, chief of the Greek Mining Company research section. About 60 geologists, mineralogists, representatives of the mining companies, and of unions participated in the discussion, which was of great interest.

A related announcement stated that the speakers pointed out the need to take immediate and drastic measures to save and revitalize the mining industry which has contributed so much to the economic and social development of the country and which now faces extinction. It was mentioned that the amount of exported ores and industrial minerals dropped from 1,326,000 tons in 1960 to 69,000 tons in 1983. Their value of 5,500,000 pounds represents about 3 percent of our total exports, compared to 40-50 percent during the 1960 decade.

As main reasons for the dramatic downturn in the production and export of minerals, the speakers mentioned the exhaustion of the reserves of high-content deposits of copper-rich iron pyrites, the low prices of metals and the lack of markets. The exhaustive efforts by the government and the mining companies during the past 20 years to locate new large and rich deposits of copper-rich iron pyrites did not give the expected results. To overcome the crisis and to reactivate this important sector of the economy, the participants asked that the government take a series of measures such as:

- "1. To speed up the procedure for revising the anachronistic mining legislation.
2. To speed up the procedure for granting exploration licenses.
3. To intensify mining exploration. It was pointed out that all geological facts point to the existence of iron pyrite deposits at relatively deep levels which have not been discovered until now.

4. To grant incentives to the mining companies for exploiting low-content copper and other deposits. Such incentives would be a decrease in oil products and electricity costs. It was pointed out that the energy cost covers 50 percent of the total production cost.

5. To exploit immediately and fully the immense deposits of industrial minerals and petrifications."

With regard to the state intervention in the development of the mineral wealth it was pointed out that even though such intervention is necessary for the development of this wealth, it should not, however, hinder the operation of the mining enterprises.

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CSO: 3521/219

## BRIEFS

TEN PERCENT UNEMPLOYED--There are now 3,000 persons unemployed in Greenland and the population of Greenland is around 55,000. Unemployment has been rising very rapidly in the past and it is now 30 percent more than in the same period last year. The situation is now such that more than 10 percent of the entire Greenland labor force is unemployed. [Text] [Reykjavik MORGUNBLADID in Icelandic 13 Apr 84 p 1] 9857

CSO:3626/23

## HIGHER PRODUCTIVITY PARALLELS CORPORATE PROFIT HIKE

Hamburg DER SPIEGEL in German 16 Apr 84 pp 119-121

[Article: "Much Too Modest"]

[Text] After a year of bankruptcies and the worst possible premonitions, many companies are now showing record profits.

It seems that it was only with the greatest effort that the German economy has been able to survive the past year. The result of all these labors--managers across the board agree--is nothing to brag about.

The Deutsche Bank's recent balance sheet was satisfactory, announced Friedrich Wilhelm Christians, spokesman of the board of directors. To Werner Breitscheid, head of Daimler Benz, the earnings of Swabia's car manufacturers are satisfactory as well.

Refined modesty permeates almost all management suites. Beginning with the Salamander shoe company at Kornwestheim to the Schoeller ice-cream factory in Nuremberg, from Woellstein's brick-making plant Jungk and Sons to Munich's Paulaner-Salvator-Thomas Brewery, from Dortmund's electrical firm Harpener AG to Rheinmetall, the arms factory in Duesseldorf, they all are in agreement: The results are adequate, possibly quite satisfactory.

But appearances are deceiving, the business community is too modest. During fiscal 1983, financial experts estimate, earnings from entrepreneurial activities enjoyed two-digit growth rates. Everywhere profits rose much faster than sales: On the average corporate profits climbed by at least 20 percent--an unprecedented record in the history of FRG business.

At any rate, this is most unusual, and this evidently is the reason why corporate managers don't quite trust their own ability. Indeed, the turning point occurred right in the middle of the worst crisis when more than 16,000 firms went bankrupt, in trade, services and manufacturing.

Total industrial production was only .5 percent higher than the year before. Even price hikes, previously the most common way of increasing profits, were rarely feasible because of the slump in sales.

Even worse, so it seemed at first, was the way the banks had been fleeced. Their best clients went broke, one after the other, local builders as well as exotic developing countries. Several countries had to borrow additional funds from the banks, just to pay for the interest--repaying the capital was out of the question. The financial institutions wrote off almost DM 10 billion in losses last year.

Up until the end of last year, the Deutsche Bundesbank [Federal Bank] was fearful that "wide circles of the business sector" might face "a serious crisis." Earnings were reported to have fallen and the situation in the capital market had worsened. Many companies, according to an internal paper of the Bundesbank, could conceivably get into "economic difficulties that could threaten their very existence." But then, all of a sudden, everything changed.

"Business turned out to be better than we had reason to believe at first, given the global economic situation," the chairman of the chemical giant BASF [Badische Anilin und Soda Fabrik] is now saying. Better indeed: The profits of the conglomerate rose by two-thirds within a year to DM 1.68 billion.

"Breath taking" was the pace with which profits increased, said the FRANKFURTER ALLGEMEINE ZEITUNG. The HANDELSBLATT called the bank reports "thunderbolts," and the SUEDEDEUTSCHE ZEITUNG discovered everywhere nothing but "magnificent results."

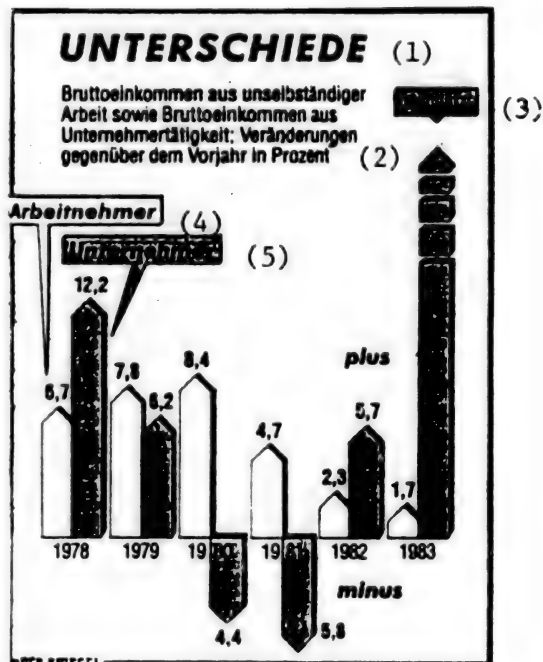
Meanwhile, corporate profits are gushing up from a surprisingly large number of sources. Bayer-chief Herbert Gruenewald believes that it was a "favorable constellation" which, in the end, had a "cumulative effect."

In fact, two large sectors were able to expand their sales, and hence their production, while a mild economic recovery made its slow start. The chemical industry grew by 7 percent in 1983, and the office equipment and EDP system sector expanded by an even larger 15.5 percent. For instance, Nixdorf, Paderborn's computer manufacturer, announced happily that profits had increased even faster than sales.

Some firms were able to increase earnings by raising prices despite the prevailing trend. Pharmaceutical companies hiked their prices by about 6 percent.

Profits from exporting were also good, especially in business transactions with the United States. Last year, Porsche shipped more than 20,000 cars to the United States (compared to 11,500 the year before), Audi 50,000 (45,000) and BMW 60,000 (52,000). Altogether, German business sold DM 32.8 billion worth of goods to the United States, that is 17 percent more than the year before.





Key:

1. Differences
2. Gross income from salaried or wage work and gross income from entrepreneurial activity; changes from previous year, in percents
3. Estimated
4. Employees
5. Entrepreneurs

Because of the steady rise in the dollar exchange rate in 1983, German exporters did extremely well. Each dollar earned in the United States, when exchanged, yielded an additional 13 pfennig. The German banks as well knew how to exploit the high exchange rate of the dollar. Since in the FRG, interest rates for loans stayed high, commercial and savings banks raised the margin between the funds they borrowed and then loaned out.

What was left was quite enough to take care of currency adjustments and reserves. The Deutsche Bank, the Dresdner Bank and the Commerzbank published record profits in spite of huge losses abroad. Even several industrial enterprises took advantage of the interest game. Munich's electrical firm Siemens, for example, doubled its interest earnings during the past fiscal year to DM 948 billion; that added up to about DM 100 billion more than what the Bayrische Landesbank [Bavarian National Bank] had collected in interest.

"Looking at it this way," the SUEDEDEUTSCHE ZEITUNG commented, "Siemens is the better bank."

Most small companies realized large profits in quite a different way. Obsolete installations were scrapped, workers who were not needed were laid off. As a result, wage costs declined and production capacities were utilized more efficiently. German industry eliminated about one million jobs over the past 2 years.

The chemical concern Bayer of Leverkusen, for instance, which during the past year upped its sales by more than 10 percent and its profits by over 55 percent, reduced the number of its employees by 2.4 percent. This trend can be seen in almost all companies: Wherever profits went up, the number of workers went down.

Success of this method is clearly reflected in the balance sheets: As productivity rose, so did profits.

The managers would love to allocate these profits to "risk reserves"--as Heribert Naerger, the financial manager of Siemens, who is already managing DM 16.6 billion in securities and liquid assets, did. "Who knows," Naerger is pondering, "what might happen to all of us in the following months?"

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CS0: 3620/243

## INDUSTRIAL MODERNIZATION, RESEARCH PROGRAM DEVELOPMENTS

## Mauroy on Industry's Responsibilities

Paris AFP SCIENCES in French 22 Mar 84 pp 6-7

[Text] Lille--In closing the Fourth National ANVAR [National Agency for Valorization of Research] Conference in Lille on 16 March, the prime minister stated: "It is up to industrialists, and to them alone, to decide on the investments" required for the "modernization of France," which "the government cannot achieve by itself."

In performing this task, which implies a "collective effort," industrialists of the private sector or nationalized groups can obviously count on [the cooperation of] the government, which "is assuming its responsibility by implementing the necessary accompanying measures," Mr Pierre Mauroy added. But in his opinion, "the mobilization of researchers, teachers, educators, industrialists, in short, of all regional partners of industrial research and development is an essential prerequisite for our success."

According to the prime minister, this mobilization does not concern only management: "If researchers and industrialists must become mobilized, the same applies to workers in general, and we will succeed in modernization only with them and thanks to them," he added.

"Everyone should be well aware that this absolutely necessary change represents a significant personal effort on the part of each of them, on the part of every wage earner," Mr Mauroy said.

The government has itself also granted to the national research and development effort, since 1981, "a priority which has been continued in 1984 despite budgetary problems and which will be continued for the entire duration of the Ninth Plan," Mr Mauroy went on to say, pointing out that ANVAR's operating budget had risen from Fr 450 million in 1981 to Fr 900 million in 1983.

Added to this is "the establishment, in July 1983, of the Industrial Modernization Fund [FIM], endowed with Fr 10 billion for 1983-84," which "demonstrated the government's determination to make available to businesses the financial resources needed to carry out their modernization effort."

This fund's operation "supplements and enriches" the missions assigned to ANVAR, which "now has the means to lend its support to businesses in all problems posed by technological development and modernization."

The prime minister also stated that the specific plan of action launched in 1982 "for the development of key sectors of the electronics industry," and whose initial results will soon be examined by the government, had led to "a significant rectification of our trade balance:" the deficit of all of this industry's businesses actually declined from Fr 11 billion in 1982 to Fr 6 billion in 1983, he said, and "should further improve appreciably in 1984."

He also mentioned on that occasion the projects intended to strengthen the regional research potential. "The Nord-Pas-de-Calais region actually has a strong tradition in this area," he said. "Close coordination with the government and public research agencies has made Nord-Pas-de-Calais a test region for regionalization of the law on orientation of research."

"In this context," the prime minister continued, "I want to stress the effort made by the CNRS [National Center for Scientific Research], INRA [National Institute for Agricultural Research] and IFREMER [expansion unknown] to develop their programs in the region. Thus the recently signed agreement between the CNRS and the regional public establishment will lead to strengthening of CNRS establishments in areas as diverse as microelectronics, scientific instrumentation, biotechnologies, valorization of coal and seacoast sciences.

"The Ministry for National Education will also participate actively in strengthening this regional scientific potential.

"The regional computer integrated manufacturing center, whose creation I announced at the time of my trip to Valenciennes in late 1982, is under construction," Mr Mauroy added.

"Computer-controlled machine tools and robots have been installed in the School of Mines at Douai. They constitute the first units of the Regional Center for the Transfer of Technology and Technological Assistance in Computer Integrated Manufacturing. A film-production unit has been established at Valenciennes as part of the Regional Center for Training in Computer Integrated Manufacturing. In this connection, I want to point out the exemplary mobilization carried out at the time of this project. Two universities, an engineering school, the Regional Council and industrial leaders in fact participated in it.

"I would also like to recall the start of Project URBA 2000, which is intended to federate a certain number of local and regional initiatives for the application of new technologies. This project concerns not only urban life in the Lille metropolitan area, but all regional life as well."

This speech by Mr Pierre Mauroy concluded the Fourth National ANVAR Conference, a forum for industrial modernization and innovation, which brought together about 2,500 participants in Lille's Music and Convention Hall on 15 and 16 March.

#### Cooperation at Regional Level

Paris AFP SCIENCES in French 8 Mar 84 p 9

[Text] The East-Central Regional Development Association (SDR) signed on 27 February, with two ANVAR Regional Delegations, Bourgogne and Franche-Comte, an agreement aimed at simplifying the access of businesses to loans granted by the two agencies.

ANVAR and the National Association of SDR's stated in a communique that this is the first application of the skeletal agreement signed a month ago by the two agencies, establishing cooperation between them for the consideration and granting of technological participative loans from the Industrial Modernization Fund (FIM)."

This is the first regional application of the skeletal agreement signed on 2 February by Mr Christian Marbach, general director of ANVAR, and Mr Roger Freyd, president of the National Association of SDR's (ANSDER), establishing cooperation between the two agencies for the consideration and granting of technological participative loans from the Industrial Modernization Fund (FMI).

Coordination of the two establishments' procedures will make it possible to facilitate the access of small and medium-size regional industrial businesses to all financial resources needed for carrying out their modernization projects.

Often, in fact, small and medium-size businesses can simultaneously apply for the FIM's participative loans and for special investment loans (PSI) from SDR's. In such a case, SDR's and ANVAR Regional Delegations will establish a joint arrangement of the two operations. Advantages: a single file, participants who are very close to each other, and a larger loan overall.

#### Regional Research Funding 'Slow'

Paris AFP SCIENCES in French 1 Mar 84 pp 4-5

[Text] Lyon--The implementation of regionalization of research in France is too slow, according to the High Council on Research and Technology (CSRT), which examined this problem in its first decentralized meeting in Lyon on 29 February.

The members of this advisory committee, the little "research parliament" which replaced the former "committee of sages" a year ago, nevertheless recognize that "decisive developments" have taken place in this area, "particularly in the establishment of regional structures and in the formulation of draft contracts between the government and regions." But they also believe that this trend is far from being as pronounced "in some applications and in the consideration of the regional aspect of research policy by different national partners."

In this regard, the CSRT cited the spread of scientific and technical knowledge, the concern of one of the "mobilization programs" defined in the law on research orientation and planning.

In a press conference held following the meeting, Mr Francois Kourilsky, vice chairman of the CSRT, deplored "the existing alarming disproportion between the financing of programs in this area in the Paris region and outside the Ile-de-France." The sum of Fr 1.84 billion will be allocated this year to the La Villette Museum of Science and Technology, whereas regions will only receive less than 10 percent of the budget allocated for this mobilization program "if measures are not taken," he stated.

Mr Kourilsky also criticized the "policy of territorial localization of public research agencies." Acknowledging that "the logic of territorial development is sometimes difficult to reconcile with the logic of scientific activity," he nevertheless pointed out that "to date, only three agencies have submitted their localization plans to DATAR [Delegation for National Development and Regional Action]." "At the present time we do not have complete data on the regional distribution of the financial resources of research agencies," he added, even if efforts have been made in this area by some of them, such as the CNRS and INRA.

The CSRT also stressed "the absolute necessity of interministerial coordination at the regional level." Mr Kourilsky said that it is necessary "to achieve at the regional level the coherence found at the government level in Paris. The multiplicity of delegations, agencies and offices does not simplify activity at the regional level."

In the CSRT's view, draft contracts between regions and the government represent a "remarkable effort" for the development of a contractual policy. However, it points out, with 200 MF [million francs] out of Fr 37 billion, or less than 0.5 percent of the civilian research budget, "the amounts allocated to these programs are quite marginal.... Financing should be increased substantially." The CSRT also deplored "the hastiness of the preparation stage of these contracts."

Assessing the results of the CSRT's one year of operation, Mr Kourilsky said he believed that the council's assembly of scientists and representatives of labor, production, social, cultural and regional sectors had made possible an "extremely enriching" comparison of viewpoints, avoiding the "corporatist attitude too often found in assemblies of experts."

He said that he was less satisfied with the council's operation, however: "In the beginning, the council was deluged with obligatory requests for decisions and, to put it bluntly, we probably "crammed" a little to get everything in. After 6 months of operation, however, this phase of overexertion was overcome and we were able to invoke our right of discretion for matters on which we believed a quick decision was important. I am somewhat more satisfied with this second phase." In its discretionary capacity, the CSRT thus examined education, regionalization and technical research, and will soon take up the problems of researchers' mobility.

In Mr Kourilsky's opinion, the council's recommendations have been "generally effective" when they were "strong opinions" that were the unanimous decision of the council's members. In reply to a question by the AFP [FRENCH PRESS AGENCY], he said that he was also "confident" of the "accelerative" effect which the council's decisions could have on issues discussed under discretionary procedure: such issues were selected from among those which are the subject of "intense consideration" by the government and the scientific community, and from among areas in which matters seem to be "proceeding too slowly" in the opinion of the council's members.

When questioned by the AFP, Mr Andre Rousset, scientific adviser to the minister of defense and a CSRT member, confirmed that military research did not fall within the council's province, since it came under "a different procedure and policy" than those of civilian research.

He added, however, "in his own opinion," that it would be good, to a certain extent, for the CSRT to be better informed in this regard: "There are actually numerous instances of overlapping--the same agencies and the same industries are often working simultaneously for the civilian sector and for defense--and the mutual spin-offs are numerous. Moreover, it is always interesting to find out about different ways of working."

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CSO: 3519/303



## FOREIGN DEBT INCREASINGLY WORRIES OFFICIALS

Helsinki HELSINGIN SANOMAT in Finnish 3 Apr 84 p 27

[Article by Hannu Leinonen: "Icelandic Economy Being Given Shark Treatment; Government Feeds Fisher Folk Rotten-Tasting Inflation Medicine"]

[Text] "Life is a dried fish," Iceland's most well-known writer, Halldor Laxness, has written. Nearly 80 percent of all Icelanders make a living directly or indirectly from fish and this fisher folk gets a fishbone stuck in its throat as soon as fish catches fall off. Icelanders have recently been coming up with so many empty nets that a young Icelandic on a street in Reykjavik asked: "But if the fish really do disappear, what will we do on this lava island?"

The depletion of fish hauls, the drop in world market fish prices and the drop in the rate of exchange of the dollar make up a cocktail for Iceland's economy, the tasting of which has resulted in a one-fourth drop in the average Icelandic's standard of living. A stiff cure for the economy is in progress in the country, one that has not been tried in any other OECD country.

For years now Iceland has been known as Europe's real "Inflandia." Prices have stubbornly been galloping like a local pony. At its worst, the rate of inflation was in the 130-percent range.

After last summer's parliamentary elections, Prime Minister Steingrimur Hermannsson's Center-Right government began to feed citizens an economic medicine that tastes worse than rotten shark — an Icelandic delicacy — in the mouths of ordinary people.

Under the protection of a special decree the government rescinded the automatic cost of living adjustment, which feeds inflation, and structured a wage freeze. A freeze was not imposed on prices.

Worker organizations estimate that citizens' earnings have dropped by a fourth since last summer. The government acknowledges a drop of only a fifth.

Along with the sharp reductions in income, in Iceland they have begun to get used to a new phenomenon — unemployment. Whereas there has usually been work enough in Iceland, to the extent of two or three jobs for anyone who wants them,



over 2 percent of the labor force is now unemployed in Iceland. That figure would also be a large one for the Swiss since Iceland and Switzerland have so far been nearly the only countries that have been able to provide employment for their citizens.

### Figures Look Better, People Are Suffering

The shark treatment for the economy has cut into the key economic figures better than anticipated. Inflation has now dropped by 10 to 12 percent, the balance of payments is improving, the foreign debt is decreasing and real interest is being paid on deposits.

To an ordinary Icelander switching from a wildly inflationary economy to a nearly normal situation means a violent change in life style. The social package that has been put together along with the government's shark treatment has not really worked and particularly the now weakened links that hold the nation together are suffering, even though Iceland is regarded as a model country in terms of equal distribution of income.

Those worst afflicted by this in Iceland now are the single provider families — women who have small children. They cannot take on more work while earnings from their regular jobs are decreasing.

An Icelandic single provider may have to pay over half of her income for rent. As their income decreases, many of them have to turn to their parents for help unless the family ties are badly severed, something that is also common.

Those who acquired real estate, primarily apartments, with loan funds at bargain rates during the years of high inflation have also gotten into difficulties. In those days the buyer of an apartment could in part count on financing his acquisition through inflation, but the sudden change in economic policy has taken with it the visions of easy enrichment. In Iceland it no longer pays to buy consumer goods as an investment either, as it did before.

Catches of some kinds of fish have dropped to half of what they were before. Fishermen have even had to agree on catch quotas per boat.

The fabled isle's requirements for making a living still swim in the surrounding sea and the Icelanders' economic difficulties stem primarily from the decline in fish hauls. The fish continue to disappear even though they have been constantly trying to extend their fishing grounds.

Since nearly all the money that enters Iceland comes to it from the sea, sharp fluctuations in world market prices for fish are also directly reflected in the national economy's ability to perform. The price of fish fluctuates throughout the world in nearly the same way the price of paper does. In Iceland they understand Finnish paper exporters' cries of distress at European price conferences very well.

The Yo-Yo action of fish prices has forced the growth of Iceland's national product into the red five times in the past 20 years. They have been in the

red for a couple of years in succession now and they will not get into the black until next year at the earliest.

Before, they did not even really try to even out changes in the economic situation resulting from fluctuations in fish catches in Iceland. Money accumulated during the good years flowed into citizens' pocketbooks to be spent. Spending was indeed the Icelanders' hobby during the last good years of fishing.

As the accelerator of a loose money policy, Iceland's entire economic policy increased economic fluctuations rather than checking them.

They even viewed the foreign debt in a carefree manner during the good years. The debt now already accounts for 60 percent of the national product. Luckily for the Icelanders, the loans are long-term loans and they do not believe that they will get caught up in a bad crisis, even though basic living conditions are getting worse. However, 22 percent of the country's export revenue has to go into paying back old loans. The worst problem is that the basic current problems cannot be resolved by borrowing more money.

#### Trying to Reduce Fish's Share

In Iceland they know of only one medicine with which they might really eliminate their economic problems: They have to reduce the fishing industry's share of the national economy.

Right now its share is getting smaller while those of other industries are growing. Now, however, they have only had to cut down on fishing. No one buys boats any more since a third of those that presently exist are floating uselessly in port.

The most natural way to enlarge supplementary income is to start to market skills relating to fishing abroad along with more extensively exported fish products. It is not, however, easy for a small country to embark on the exportation of its knowledge since there is no money to cover the costs of development. The Icelanders would indeed be ready to cooperate with others in the marketing of their skills.

One of the first ventures involving the exporting of their knowledge is an offer to build a fishing port in Indonesia jointly with other Nordic countries. Support for the project has been obtained from the Nordic Project Export Fund in Helsinki.

#### Iceland to Become Singapore of the North

One of the new Icelandic Government's biggest plans is the large-scale attraction of foreign capital to the country. The government would not take it amiss if Reykjavik were to develop into the Singapore of the North.

They are luring foreign money with the fires burning beneath the earth's crust and cheap labor.

In Iceland energy does not cost anything at all since water and lava boil and bubble beneath the earth. In Iceland a firm can even rent its own volcano, geyser or waterfall for its plant.

Only a Swiss aluminum smelting works and a Norwegian-Icelandic silicone plant are at present enjoying the advantages of cheap energy.

Iceland's Minister of Industry Sverir Hermannsson plans in earnest to go ahead and bring foreign capital into the country. According to him, aluminum companies have shown interest, although they have not gotten to the point of signing agreements. In his desk drawer there also lies a plan for the erection of a cellulose plant with Finnish aid on the nearly treeless lava island. According to Hermannsson, the project is waiting for a more propitious moment.

#### Trade Disparity Is Annoying

Politically, Iceland is regarded as part of Northern Europe, but trade ties the country closely to the United States and Western Europe. The Nordic countries' share of Iceland's foreign trade is under 10 percent. The United States, England, West Germany, Portugal, Nigeria and the USSR are more important partners.

The country's big deficit in trade with the Nordic countries annoys Icelanders. On Nordic fish markets the Icelanders have to vie with the Norwegians who have so far beaten the fabled isle's exporters.

Nordic trade ministers will go to Reykjavik next summer, where they will obviously be enticed into making promises to balance trade. Given to playfulness, the Icelanders may use the dinner as a persuasive weapon, a dinner in which the appetizer will be rotten shark and the main dish whale steak. To drink there will, or course, be their famous cod-liver oil. Yum yum.

#### Bursting of Economic Balloon Is Bringing Country to the Brink of Basic Problems

"We simply let the air out of the balloon," Finance Ministry Secretary of State Geir H. Haarde, one of the top economic policy figures in the current administration, described the cure that is in progress in the Icelandic economy.

According to Haarde, a member of the Conservative Party, the cuts made last summer were unavoidable. Inflation had to be brought under control and they have succeeded in doing so.

According to Haarde, it is now easier for both ordinary people and businesses to make decisions. "We are in a situation in which we can concern ourselves with real affairs, not just prices as before."

Haarde regretted that the cuts demanded because of inflation had to be made at the same time fishing industry problems are lowering the national product.

Simultaneously with the inflation cuts, unemployment has also put in an appearance in Iceland, a phenomenon which, however, according to Haarde, is not due

to the government's economic reform. "Here, unemployment is a structural problem that can only be resolved by diversifying industries," said Haarde, according to whom a couple of points in the unemployment rate is not yet any reason for concern. "Another rapid upswing would, of course, be cause for concern."

Haarde is also worried that they have been unable to even out fluctuations in the price of fish despite the fact that there has been a special fund. "Administrations have gotten so used to using funds in good times that there has not been enough aid for bad times."

"Iceland's big balance of payments deficit is the fault of the previous government," Haarde said, and referred to the growth of the deficit in 1981 "as a good year."

Iceland can no longer borrow any more foreign money. According to Haarde, that is why it is a good thing that real interest is being paid on deposits in the country. "However, it takes a while before people notice that putting money in the bank can earn them money," inflation curber Haarde said.

#### Strike Weapon Ineffective

Iceland is known as the most strike-prone Nordic country. The government's economic cuts have not, however, gotten the country's workers to set their butts down on their benches. "The current quotas on fishing boat catches are making strikes ineffective," the Communist chairman of the Icelandic central trade organization, ASI [Icelandic Federation of Labor], Asmundur Stefansson, complained.

Furthermore, engaging in immediate strikes would have been impossible since the government banned strikes and did not enter into negotiations on wages when the economic cuts were made last summer. The ban on negotiations was not lifted until the end of the year.

The negotiations immediately set in motion under Stefansson's leadership were ended at the end of February in a wage agreement that guarantees workers wage hikes of 13 percent by April of next year. Stefansson believes that citizens' purchasing power will remain at the end of last year's level during the term of the agreement.

"We decided to take what we got without a strike, even though we are not getting a fair share of the earnings," Stefansson said, a bit submissively. His own party would not have approved of the new wage agreement and even the Social Democrats are divided in their opinions. On the other hand, no grumbling was evident in ASI circles.

Stefansson is disturbed that the government did not originally consent to negotiate with the trade unions on the new ideas for the economy, instead implementing hefty cuts that create difficulties for people with low incomes. "Among other things, we proposed that high wages might be cut and [the savings] invested. They didn't listen to us."

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CSO: 3617/133

## VAN AARDENNE ON ECONOMICS, PARTY POLITICS

Amsterdam ELSEVIERS MAGAZINE in Dutch 7 Apr 84 pp 104-108

[Report on Interview: "Cover Story: Minister of Economic Affairs Gijs van Aardenne, 'I'm Concerned about the Ungovernableness of the Netherlands'"; items in slantlines published in italics]

[Text] "If the VVD [People's Party for Freedom and Democracy] entered into a coalition with the PvdA [Labor Party], it would mean the salvation of the CDA [Christian Democratic Alliance]," says Minister of Economic Affairs Drs G.M.V. van Aardenne. Alice Oppenheim discusses political and economic problems with him. The liberal dislikes talking about himself.

The minister of economic affairs is a man who is wholly and emphatically present, but who also finds it terribly embarrassing to emphasize himself.

"I don't care to profile myself. I can't see the advantages of doing that. I'm not a salesman--not of my policy either. Policy should sell itself; it shouldn't be forced. I don't feel the need to profile myself. Anyway, I didn't go into politics from a sense of calling or through calculation. It happened all by itself, more or less, and it suited me fine."

Van Aardenne lives in a beautiful old house in Dordrecht with a view on the Old Maas. Inside there is an aroma of oak and marble, and the floors and chairs squeek with any movement. Because he emphatically dislikes fuss, a fuss arises in posing for the photographs, but it disappears as soon as he can talk about his work. He is 54 years old and a born administrator of public affairs. "In the sixties I was in a family business. However, there were always conflicts in the family and thus hardly ever any agreements. Partly because of that, we ultimately had to sell. I went to many people for that; fortunately most of them did not go through with it. De Vries Robbe also closed down a few years later, as well as Nederhorst, and the VMF [United Machine Works] was not doing too well either at that time. It is not necessary to let a business deteriorate to the point of having to go to the State; in my time you couldn't even do that. If you don't want to go bankrupt and you don't want to throw your people out on the street, you have to find someone to take over your business in good time. Actually, I don't understand Wilton-Fijenoord's management; surely you should have the courage at a certain moment to also tell your own people certain unpleasant things.



Of course they would have preferred an order for a submarine. But to subsequently say: /no one is obliged to leave here/, while I know that that is not true . . . surely your first responsibility is to keep people working /permanently/, isn't it? Often there is a wait-and-see mentality--of staying in the business yourself until it goes wrong and then going to the government. Well, then you should keep on doing it yourself. My active interest in politics started when I came to live in Dort. It used to be that you couldn't vote until age 26. Thus I used to think, no voting right, then not a member of the JOVD [Youth Organization for Freedom and Democracy] either."

Gijs van Aardenne is a liberal from before the war. "If you compare that with what others sometimes say, then I approach life rationally. When I look at myself, I have become somewhat rightist in a number of things. That's probably a matter of age. It sounds a little silly, but I find matters of law and order very important. I find the description of democracy as /organized distrust/ one of the greatest dangers for that democracy. More attention ought to be given to the manner in which the Athens democracy declined of itself during the last phase of the Peloponnesian war. I really can't get excited either about the Coornhert league. But with respect to the voice and demands of the union I am more leftist than many of my party associates. If people think now that the union is to blame for the bad developments, I have to contradict that. The wage demands never stopped, but employers paid or their people would have left. It is not true that the union movement knowingly has destroyed everything. It was an economic problem. If the union did not make demands, employees made them themselves and got what they wanted. And then they withdrew from the union. In that manner, employers attracted each other's labor forces. I always relate things to my biological insights as a natural scientist. That is connected to my studies. In nature a process is always going on: the struggle for life, the optimization of opportunities. The strongest stag has the greatest herd. Nature has given that stag more opportunities because it is necessary. Among deer, the weak ones die--not among people; there the strong actually need the weak. Thus I think that society must make use of the strongest deer, and that also means that they will have to fight when a tiger arrives. That should be part of it too." Van Aardenne is and feels like such a strong deer, in the midst of a herd, and certainly not like a tiger. "My way of thinking is part of the liberal philosophy which originated in the French Revolution: liberty, equality and brotherhood. In any event equality in opportunities. That means you have to remove barriers and make sure that people do not land in all sorts of miserable situations which they are not to blame for. Thus one has make sure of a good social foundation, for it does not fit into the liberal philosophy to let those with the really low incomes perish.

Having landed in politics more or less by accident, Van Aardenne is striding around, very dignified, in the midst of the bustling Netherlands. One notices that he continually weighs his words and these days seldom has to sell "yes" but often "no." The past few years it has not been as much a matter of support for the losers as of encouragement for the victors. It is not entirely clear how Van Aardenne and his associates include that under "policy." "You can't stand there with a blue-print in your hand and say we do need this [company] and that one, but not that one nor that one. At most we can function as lubricating oil. And if a company must close, it must close. The first thing I look at is earning power. If you

can't make any profit with a set of beautiful machines, it won't work. An old piece of machinery that does make profit is more valuable in my view. We provide credit if it is our feeling that the risk for a company, no matter how strong, is too big, and if we don't think that other companies will suffer through that. No, those matters are never completely watertight, just as there never has been an objective government. A long time ago I was already surprised about the course of things at RSV [Rijn Schelde Verolme]. However, in general they know what they're doing in this department, I think. You could compare it to a banker; he sometimes makes mistakes too. Look, I don't think that pre-financing Fokker is the same as giving aid. That is also true for Volvo, for example. Although the Fokker money comes out of the budget of Economic Affairs, the NIVR [Netherlands Institute for Aviation Research and Space Travel], which also entirely controls the spending, will get the royalties later on. Thus if things go well, money will come back from that. Just as money has come back from the F27 and F28. However, you are indeed liable as government, at least for the time being; the deficiencies will turn up only in a decade or so. Then you know whether you have lost it all or not. Well, there really is a considerable amount of control in it. The State Industrial Service, the NIB [expansion unknown] the Development Council, etc. They look at matters very thoroughly. Ultimately I only get to see the recommendations. I can steer those, but I don't like to do that."

Van Aardenne indeed does not give clever little sales pitches. He packages his policy in long, complex sentences and continually wider arm movements. It is difficult to get him to present things in an organized manner. In practice it will not be easy to combine the many different types of support, credits, rules and regulations. The tendency is to let people themselves do things, but it is clear that the government is merely a prophet who must earn his living. In any event there is a tendency to let companies pay back the borrowed money if they don't utilize it in the most effective manner. This minister will no longer listen to arguments such as work opportunity.

"That concept is emphasized too much. I think that a company should first of all make sure that it is profitable and also that the jobs it already has should be safeguarded. And that is completely different from forcing the social duty upon it to invest in the creation of new jobs. When someone comes with that story, I think: it sounds beautiful, but I'll have to see it before I believe it. He might just be eliminating something in another area at the same time. That is a very simple trick which never impresses me. One should look at those matters in a straightforward and businesslike manner. If a company is financially healthy, then it has a market and can make a profit; then the new jobs will turn up anyway."

Things are going well with respect to the economy. Trade is increasing and blossoming again. But there is also a prospect of 1 million unemployed. Van Aardenne rubs his hygienically short-cut hair and expresses his surprise: "The strange thing is that much less attention is being given to unemployment than one might expect. Are there as many TV programs for the unemployed as there used to be? No. Are there big demonstrations by the unemployed? No. I find it rather alarming that people accept it so submissively. Look, I think that those who really do want to



work will indeed find work after some time, only it will take a little longer. The others are probably less inclined to look for work, so they don't mind things the way they are. Fortunately the large majority thus gets what it wants anyway. Therefore I think that this coalition will certainly survive the 900,000 unemployed. Especially if we get the opportunity to carry out our measures. And for me those opportunities lie very clearly, in the first place, in strengthening industry. Only economic activity will get us out of this situation; an increase in productivity, and then that productivity should be distributed over a shortening of the workweek. But it will take a while for everyone to get work. Therefore we will probably temporarily remain in this same situation in which the Roman Empire furnished bread and games. At that time too there was insufficient work for people; hence they were given food--bread--and they were entertained--games. Furthermore, since people are aggressive by nature, they were also entertained with gore. That's what they do now in football stadiums; sometimes I get the impression that the more they beat each other up, the more the public enjoys it. That is obviously a certain recipe. It fits into a certain development of a society."

Van Aardenne is not a cynic; he approaches his fellow human beings in a scientific manner, distant and sober. Therefore, he is in many respects the tough teacher who also needs society, and he is very crucial for the social balance.

"Yes," he says, with a long, cultivated "e" which does not seem without threat, "that tax decrease for industry."

"That tax decrease has something to do with the restoration of faith. Thus it would lack credibility if suddenly we went the other way again. If the PvdA and CNV [National Federation of Christian Workers] want to spend that money now for fighting youth unemployment, it would be merely an interesting propaganda trick and nothing more. Perhaps one could use that amount as a purchasing-power injection; that would also be to the advantage of industry. However, I am skeptical about that, for I think it will just dribble away in little trips abroad, etc., and then the domestic market doesn't gain anything. But anyway, that is still under discussion. I don't see any advantage in merely pouring money into fighting youth unemployment; then the money will be gone in no time and will not benefit anyone."

Van Aardenne has other plans for the economy. Differentiating, bigger differences in incomes. "And if one industry or branch of an industry is really stronger than another one, people there could also be paid more. That's fine with me. Thus if there are wage demands again, those people can be paid as far as I am concerned. I would like profit-sharing even more; then you have even better control. Wage interventions really don't work well, except as a sort of pacifier, but you don't improve things with them permanently. You shouldn't threaten with them either; that's entirely wrong. Once I compared our wage development--which we calculated to two digits after the decimal point--up to 1962 with that of the FRG which was free at that time. And sometimes it was distorted, just as the biological balance, but never for very long. One shouldn't regulate too much nor have an automation tax. When there are new developments, they should be given a chance. I think that the capital tax has a very inhibiting effect on investments. For one reason or another it prevents people who have money from using it for positive social

matters. Instead they buy paintings or a summer home in France. We should do something about that very quickly; that tax should be considerably lower for more productive matters. I think that the collective- and market sector should become competitive. I am in favor of applying equal social legislation, which will probably mean that the lower civil servants get paid a little less and the higher ones a little more. Likewise, I also think that the difference between the minimum and the modal income has become too small. The statistical minimum is still decreasing a little, while we are putting the real minimum incomes aside so that the modal income can expand a little. The educated employee at a certain moment indeed ought to have good social benefits, but at the same time he should also have some money left with which he can do something himself."

The vice prime minister has calculated that he earns about 20 guilders net an hour. "And I include an interview like this," he smiles. If he doesn't like something, he stands up or turns his head. He is a true loner for whom life, apparently, is put together in an understandable and logical way. If things go wrong for him, he does not become visibly angry but scientifically analytic. He swears only when his shoelace breaks. "I'm not easily hurt. You're not suited for politics if you can't take a beating. Therefore, I don't feel a great need to pour out my heart or to have friends--actually, not at all. I have my wife and children." He is a good-natured father for those children. His nice wife nods approvingly when he admits that a little hesitantly. "As long as they don't whine continually." He thinks it is important that they achieve good results. "I saw the national grades recently. Almost everyone who has a little more education than MAVO [general continued education] will get work sooner or later. My oldest son is studying law, my second son is in acting school. Some people look dubious when they hear that. I say: well, when you read in news reports that ultimately 20 percent of the productions will be Dutch, then there is a good market for actors."

Van Aardenne also has two daughters, 13 and 12 years old. Two very charming girls in knickerbockers who are just as shy as their father and just as embarrassed about so much personal attention. "My wife said recently that she did not like the girls bicycling through the city by themselves, with all that traffic, etc. Then I said that I bicycled alone through Rotterdam when I was their age. Yes, she said, but there was no traffic at that time. No, I said, but there was war; there could be an air-raid, or a bomb might drop in the street at any time."

Much earlier in the evening, in an entirely different context, he had already said: "You shouldn't baby people too much, not protect them from danger too much. You don't render them any service with that; they don't become independent with it."

He skipped the eighth part of Lou de Jong's series about World War II. "Thus, the part about what happened to the Jews in the concentration camps. If I had to, I would dare do it. Perhaps I'll have the courage later on. I'm not afraid of weapons. I'm afraid of people and of what people can do to each other with weapons. Those types of uncontrolled positions of power . . . It can't be bad to oppose power with power. In spite of different stories, war never started because two armed groups each knew they had the same strength. When one thinks he is stronger, there is danger. Sure, you can plea for a decrease in arms, but the knowledge is there, and

it can be used under pressure. Knowledge is essentially human and, simultaneously, the greatest human problem. Genesis. As Ecclesiastes states: "He that increaseth knowledge, increaseth sorrow." And sin; sin is knowing things which can cause evil. In general you could say that knowledge can always be used in the wrong way if it is not well protected. We set the policy of having balance in solidarity with the allies, and that has already provided us with 40 years of peace. We ourselves asked our allies for those nuclear arms; the request for them came from Europe. Moreover, it is out of the question that an attack is launched from the West. That is unimaginable to me, simply because the population doesn't want it. Thus I find it very stupid what some people are doing. And I can't tolerate that--stupid people in politics. If I were frustrated, which is not the case, it would be about the manner in which people sometimes are stupid in parliament. If the cruise missile weapons come, a lot of nuclear warheads will go again. They are already obsolete and thus can be eliminated. In this country we should beware of thinking that we are the chosen people and know everything better. Fear is a bad counselor. I also recognize that unreasonable fear with respect to nuclear energy. Deep in my heart I think that those nuclear power plants should have been here already a long time ago. People's fear of those is much too great. People are subjected to much more radiation in nature and certainly when they get X-rays. But it is a matter of psychology, and in politics that has to be taken into account."

The Vice Prime Minister sounds less convincing on television than in a personal conversation. That might be due to his voice. "I don't worry about how I sound; naturally one is always role-playing, but that doesn't mean one should act unnaturally. You don't know your own voice, that is a known fact. It seems that I sound somewhat arrogant. Well, so be it. I cannot speak in another way, and it leaves me cold," he says a little nervously. "And if I say in such an interview that I have no knowledge about a certain matter, it is in my interest to say so since in principle I try to know about everything. In the political context it might be wiser to say nothing at such a moment. Sometimes you avoid mentioning something. For example, one time you agree with Ruding against Deetman, another time you support Deetman against Ruding. It is not good if you always agree with each other. It is much more effective to divide evenly."

He waits, cautiously, always under control. He is a very good listener, also with respect to the last words in a sentence. "The VVD is growing," he says, "and it is interesting to determine why. It is because the CDA is always hesitant. I can see them decreasing even more, unless they will really take a stand as a conservative party. Perhaps it is already too late for that. If the VVD were to enter into a coalition with the PvdA, it would mean the salvation of the CDA. As far as I can see, that does not look feasible for the time being. Perhaps a crisis will soon arise; then it becomes very important to know where that crisis originates. In the parliamentary group of the CDA? Turning against one's own prime minister? A second night [of political crisis]? Of De Vries? Well now, that looks like an extremely awkward development. If we survive and get to 1986, we don't know whom the CDA will appoint as primary candidate. Sometimes they are even afraid of a successful primary candidate. They dropped De Jong because they were afraid he would gain too much. Namely, they never want to be identified with the cabinet, so that they have other ways out. So we cannot predict how things will

go with the VVD in the future. I fear for the ungovernableness of the Netherlands in the near future. The situation could become very serious because of the disintegration which might cause the CP [Communist Party], with about six seats, to gain more importance.

I am not really afraid of the CP; in my opinion it is doing things cleverly, but not sympathetically. No doubt it will disintegrate again as prosperity increases, but a situation in which a minority cabinet is dependent on the coincidental support of a club such as the CP becomes a very awkward matter."

Sometimes Van Aardenne drops off for a while during a long meeting in Brussels or something similar. "Just a little nap," he says cheerfully, "acting as if you're deep in thought." He is not a pessimist or doomsayer. "No, indeed, we're getting our feet on the ground and that is very satisfying. No, I was much more dissatisfied at the end of the sixties, with that rubbish of the sociologists, as I call it. Big words about authority, discussing it inside and out, all big words. Girls' homes and those sorts of things. No, really, a lot of people don't understand why I do this miserable job. Well now, I like it; it's varied, with many people and many insights. A job in which people put their faith in you every day is a challenge. If I did not think that, I wouldn't last for a week."

He straightens up, rearranges his vest and is visibly disturbed: "Of course I would not let myself be replaced."

It was only a question. He is not being threatened politically, for friend and foe alike find him a good professional. There is general praise for his controlled behavior in the Second Chamber. But if his limit is reached and an obstacle is put in his way, he can react in an ordinary manner, humanly. "My wife and I were out for a walk once, and two men started to bother us. I thought: 'Either I do something or I'll die of frustration. I gave one of them a slap in the face. Then it was finished. I reacted instinctively and instantly. It happened a long time ago and I was not as wise as I am now, but I was literally capable of doing it. Perhaps I can do it in politics as well if it is necessary."

8700

CSO: 3614/71

## DISCUSSION OF ELECTRICITY DEVELOPMENT PLAN

Nicosia 0 AGON in Greek 19 Mar 84 pp 1, 12

/Text/ Cyprus Electricity Authority /AIK/ Chairman Andreas Mousioutas revealed that in 1983 the Turks consumed electric current valued at 10,595,000 pounds, of which 6,428,000 pounds represented the cost of crude oil (mazut). In a statement to this newspaper last Monday Mousioutas said that the use of coal for producing electricity is delayed because the study was extended to include other related subjects. The full text of his statement is as follows:

"1. The AIK development program for the next 5 years basically is as follows:

- a. To expand the installation of the electricity producing stations in order to increase the production capacity and thus cope sufficiently with the increasing demand for electric current.
- b. To establish a substation for electric current transmission in the area of the village Ergates. This will provide electricity to the industrial zone now under construction in this area and will strengthen the transmission and distribution network in the area.
- c. To strengthen the transmission system in the free areas of the Famagusta District and particularly in the villages of Paralimnion, Agia Napa and Sotira for tourist and development reasons.
- d. To strengthen several transmission substations in order for AIK to meet the increasing electricity needs of its consumers.
- e. To expand and strengthen the distribution system, both in the rural and urban areas, for increasing its capacity in order to meet the anticipated development as a result of large government projects as, for example, that of the Southern Pipeline.
- f. To install an automatic system of consumer energy load telecontrol in conjunction with the introduction of new prices.
- g. To study also the possibility of establishing a transmission substation in the tourist area between Larnaca and Dekeleia.



But the AIK activities are not limited only to the development of a reliable system, but also to its more efficient operation. For this reason AIK is considering.

- a. To adopt a system for controlling and distributing more efficiently the electricity load.
- b. To apply measures for saving energy at the Mons electric station.

#### Coal

Whether coal will be used or not for the production of electrical energy will depend on the study the experts prepared on the subject and the evaluation of which will be completed in 5-6 months. The reason for the delay in reaching a final decision is due to the fact that the study has been extended to cover other related subjects such as, for example, the choice of a location for the possible establishment of a new electricity producing station as well, also, as the comparison with other production methods.

#### Turks

2. Since 1964 until 31 December 1983 the amount the Turks owe to AIK for the consumption of current has reached 51,465,000 pounds. It should be noted that of this moment 29,915,000 pounds represent the cost of mazut for producing the non-collected Turkish consumption. I would like to mention also that in 1983 only the value of the non-collected Turkish consumption of electric current was 10,595,000 pounds (6,428,000 pounds represented the cost of mazut).

#### Municipalities and Communities

3. The amount the municipalities and communities owed AIK on 31 December 1983 was 417,144 pounds--254,510 pounds for consuming gas for street lighting and 162,632 pounds for electric current consumed by community water pumps.

4. Unfortunately, the companies of oil products are not in a position to deliver always the amount they promise. For example, in 1983 while they promised to deliver to AIK 80,000 metric tons, they delivered only 70,332 tons. It should be noted that for 1984 these companies delivered to AIK until today 11,328 metric tons out of a total of 110,000 metric tons promised. We hope that until the end of the year they will be able to keep their promise."

7520

CSO: 3521/222

## STUDY SHOWS NUCLEAR ENERGY INCREASINGLY PROFITABLE

Helsinki HELSINGIN SANOMAT in Finnish 1 Apr 84 p 2

[Article by Pekka Pirila; the author holds a doctorate in technology and works as a special investigator in the State Technical Research Center nuclear technology laboratory. He is also a lecturer at the Technical College and at the University of Helsinki]

[Text] In the debate that has been engaged in on the use of nuclear energy, economic viewpoints have been especially emphasized. The economic advantages of the new nuclear power plants that are being planned has been a key point. Against this background it will be interesting to see just how economical the power plants now in operation have proven themselves to be — even though we cannot arrive at immediate conclusions as to future coefficients of economic feasibility on the basis of this examination.

Our point of departure is a comparison with other ways of producing electricity, primarily big coal-burning condensate power plants. In many countries nuclear energy has proven to be noticeably more economical than the alternatives, but in some cases the difference has been very small and nuclear energy has also been more costly than the alternatives.

The disparity in results is due to both the big fluctuations in the costs of nuclear energy and the price of coal and the differences apparent in the methods used to calculate them, some of which may be regarded as downright erroneous.

#### Operational Problems Over

In 1982 the Atomic Energy Commission appointed a committee to investigate the economic feasibility of nuclear energy operation. The State Technical Research Center (VTT), the Bank of Finland and the power companies were represented on the committee. The calculations contained in the report were made at the VTT. Data on the costs of building and operating nuclear power plants based on accounting records were obtained from the power companies.

The method used for calculating was in terms of the national economy; therefore, special taxes on fuels, among other items, were omitted and they did not have to take the method of funding into consideration either. The calculations were made in the spring of 1983 and they involve the years from 1977 through 1982.



Finland's four nuclear power plant units were built between 1977 and 1980. Thus the experiences they have had with them are sufficient for a preliminary examination of the economic feasibility of the plants.

A definitive examination will only be possible when each power plant is shut down and discharged and when all waste materials have been processed and permanently stored. The results of the preliminary examination are, however, so obvious that only major unforeseen occurrences or changes can affect their conclusions.

The operational reliability of all four power plant units has been very good. On the other hand, even beforehand they could expect that some problems would crop up during the first years of operation and these could not be avoided.

The problems have involved the plants' operability, not their safety, and a large number of them were caused by components external to the nuclear technology installations, like generators. The experiences of the past 3 years indicate that the problems are now over since there have been very few operational interruptions.

The use coefficient that expresses the amount of energy the plants produce was over 80 percent in 1981-1982 and as high as 87 percent in 1983. (The use coefficient expresses the amount of energy produced in comparison with that produced by a plant constantly operating at full capacity.)

Annual maintenance and variations in electric power requirements noticeably prevent them from attaining a higher use coefficient. From the times the plants went into operation until the end of 1982, the coefficients of the different units were from 70 to 75 percent.

The percentage of our electricity needs met by the nuclear power plants is significant. Up until the end of 1982 production amounted to a total of 48,300 GWh of electricity, or a little more than the country's annual electric power consumption. In 1982 40 percent of all of Finland's electricity was produced with nuclear power.

#### Costs

In terms of the value of the markka in December 1982, the combined totals for the costs incurred in building Finland's four nuclear power plant units plus interest at the time of construction amounted to 12.5 billion markkas, or 5,650 markkas per kilowatt. Up until the end of 1982 the necessary fuel procurement and power plant operating expenses totaled 2.4 billion markkas, or 4.4 pennis per kwh produced.

Also attached to the operation of the nuclear power plants is the responsibility for future costs incurred by the treatment and depositing of radioactive waste as well as the discharging of the power plants.

These costs are estimated to be under 2 pennis per kwh of electricity produced at TVO's [Industrial Power Company] Olkiluoto plants, because an agreement

has been reached with the Soviet Union for the return of spent fuel. Costs will probably be considerably less than estimated.

The combining of cost installments is not quite a straightforward affair. They have to be paid at quite different times: investment expenses before the power plant goes into operation, fuel and operating expenses during operation and the bulk of waste treatment and discharging costs only years or decades after the termination of operations.

Costs may be combined by turning investment expenses into annuities that include interest and debt reductions and by calculating the value of all expenses by discounting, taking interest into account, for 1982.

In these calculations the interest rate that was employed in the first place was 5 percent real interest, or about 16 percent nominal interest, because the average rate of inflation at the time of the investigation was about 11 percent. An amortization term of 20 years was chosen, even though the projected operational life of a plant is at least 30 years. Using a positive real interest rate, the discounting will increase the percentage of capital expenditures. On the other hand, it will reduce the present amount of waste treatment costs to under half of what it is now.

Total costs incurred between 1977 and 1982 amounted to 6.72 billion markkas. Capital outlay accounted for 57 percent of them and annual fuel and operating expenses 38 percent.

To get an idea of the economic feasibility of nuclear energy, this sum must be compared with the costs that would have been incurred if we had not built the nuclear power plants. Of course, we cannot do this accurately because no one knows exactly what would have been done if the nuclear power plants had not been built. The comparison, however, works fairly well because the period under examination is not very long.

#### Alternatives

Power plant solutions affect the price of electricity and thus indirectly consumption. Since the period between the time the power plants were built and the end of 1982 is, however, a very short one, the effects they had on consumption were slight and may be disregarded. The basis for the calculations is that the amounts of electricity produced are correct in terms of the comparison.

To be able to make the comparison, we must also consider how the electricity that would have replaced [nuclear power] might have been produced. The most economical and most likely alternative is that the replacement fuel would have had to be coal. The construction of district heating networks is slow, so that not appreciably more power would have been produced from district heating than is now produced.

The production of industrial counterpressure power would have increased considerably, but almost entirely in plants that burn oil and natural gas, plants whose fuel costs are just as high as coal-condensate power plants that produce only electricity.

Thus fuel costs can be calculated on the assumption that all electricity that would have replaced nuclear power would have been produced with coal-condensate power. Discounted, fuel and operating expenses for 1982 would have been 6.6 billion markkas, or almost the same as the total cost of nuclear power.

However, capital expenditures, which would have been incurred through the depreciations and interest on investment expenditures for the coal-condensate power plants that would have replaced the nuclear power plants, must also be included in the total for the alternative in this comparison. Since, at any rate, the Inkoo power plant does exist, let us consider as capital expenditures for it only the depreciation expenses for wear, but not interest expenses.

The overall capacity of the replacement power plants would apparently have been somewhat less than that of the nuclear power plants. According to the estimate, the capacity would on the average have been about 400 Mw less than ordinarily. The total costs for this alternative would have amounted to 7.9 billion. Thus the alternative in our comparison would have been 1.3 billion, or about 20 percent, more costly than nuclear energy. In other test cases the cost differential for the alternative in question would have been from 800 million to 2 billion markkas in favor of nuclear power.

Not counting transfer and distribution costs, the cost of producing electricity with nuclear energy has averaged 12.1 pennis per kwh, whereas with coal-condensate power the cost would have been about 16.5 pennis per kwh (the full capital expenditures for the old plants are also included in these calculations).

If in future the nuclear power plants perform satisfactorily and if the price differential between fuels is set at the level of prices at the end of 1982, nuclear energy will have represented an annual saving of over 600 million markkas. Last year the nuclear power plants performed better than satisfactorily but, then too, the price of coal was very low, so that the saving may have been slightly less than the figure just cited. The price of coal will, however, hardly remain at its present low level for long.

Nuclear power plants have not everywhere else been as economical as in Finland. Countries that adopted nuclear power before we did have prototypes of solutions to the plant problem and other old, unreliable plants in operation. On the basis of the statistics, the reliable application of nuclear power seems to succeed best in rather small, industrialized countries like Switzerland, Belgium, Canada, Sweden and Finland.

Perhaps the most important factor influencing the economic feasibility of nuclear power in Finland is the high cost of the alternatives. In the United States, for example, in many places coal costs only half of what it does in Finland. Lowering the price of coal to half of what it is would also make nuclear energy produced with it here more economical, that is, not counting the cost of removing the sulphur.

In many countries they have also made calculations, the methods employed in which are not suited to the appraisal of long-term investments of the condensate power plant type. Their worst failings have to do with the handling of

inflation. These errors can produce effects in both directions in a comparison and, at the worst, they are very big ones and change the conclusions that are drawn — often in a way the author is aiming at.

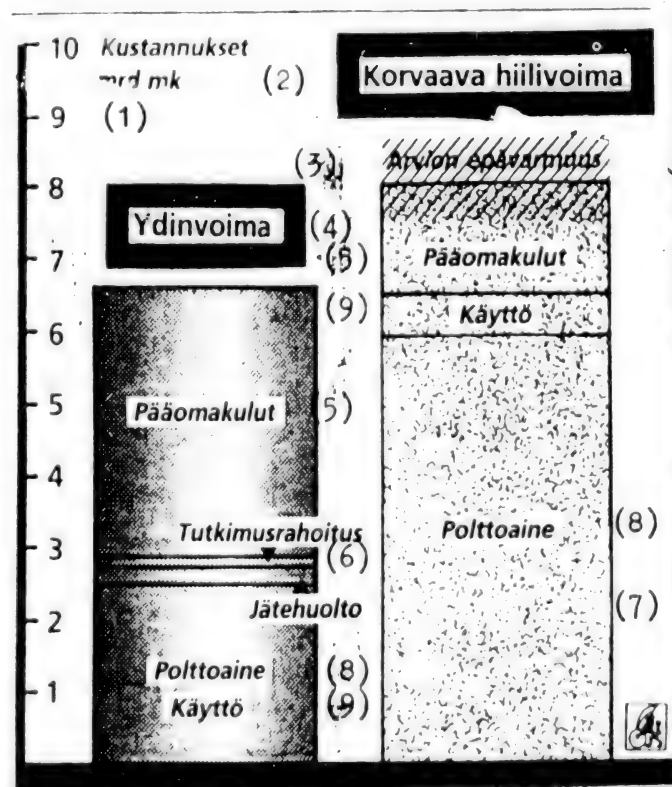
#### Differential May Remain the Same

Even the preliminary calculations show nuclear energy to be a more economical alternative in Finland. In order for the final conclusion to be unambiguous with respect to the main ones solutions that at least do not favor nuclear power were chosen in the calculations. For example, in an after-the-fact calculation one might with good reason determine capital expenditures on the basis of a lower interest rate, in which case the cost differential would increase.

The production and consumption of electricity constitute a complex whole, in view of which our examination is simplified. Both the details that improve the economic feasibility of nuclear power and those that weaken it have been omitted. Their overall effect is small in any event in comparison with the differences in cost.

The comparisons we have presented are not suitable for use in future appraisals of economic feasibility rates because all cost factors change in the course of time.

As far as the projected power plants are concerned, according to the figures that have been published, it is estimated that the cost differential between nuclear energy and coal-fueled power plants will remain roughly the same as before.



**Key:**

1. Costs in billions of markkas.
2. Coal power as a replacement.
3. Uncertainty of estimate.
4. Nuclear power.
5. Capital expenditures.
6. Research funding.
7. Waste treatment.
8. Fuel.
9. Operation.

Discounted for 1982, the 1977-1982 costs of producing electricity through the production of nuclear energy and of replacing it mainly with coal power.

11,466

CSO: 3617/133

## COMMENT ON DANGER OF WEAK ENVIRONMENTAL POLICY

Nicosia KHARAVGI in Greek 21 Mar 84 p 3

/Article by Tasos Angelis: "What Must Be Done to Save the Environment"/

/Text/ It is generally accepted--and the government acknowledges it--that Cyprus does not have a comprehensive environmental policy and machinery for effectively protecting the environment from the danger of catastrophe. This lack has already been very costly to our country. But it is fortunate--albeit belatedly--that the authorities have understood this lack and coordinated efforts are now being made to cope with it.

But let us first see what is being done in the legislative sector. There are tens of laws and regulations concerning the environment. There are laws on construction (buildings, roads, zoning), laws for the protection of wildlife, forests, rare trees, seashores, public rivers, fish, factories and quarries, public health in the villages and cities, etc. They are laws which were enacted at various times as the need dictated but without any coordination. Today they are dispersed and no organic connection exists between them. The responsibility for their implementation lies with various government and other agencies, especially the Ministries of Interior, Commerce and Industry, Finance, Labor and Agriculture, as well as the municipal and community authorities. The coordination among those Sections bearing the responsibility for their implementation is not regular at the expense of the legislation.

Other features of the legal complexities related to the environment are the following: All aspects of environmental protection are not satisfactorily covered (pollution of the atmosphere by factories, for instance); certain laws have been forgotten or are not implemented with the needed strictures (for example, even though the law for the protection of the seashore prohibits the construction of jetties, in the case of Limassol the law was violated without any penalties to the violators). Also, the law prohibiting gravel digging at seashores is not always implemented and some laws are ignored because they do not provide for sanctions.

Some factories, for example, channel their wastes into fields, thus poisoning the underground water and creating sources of contamination and nuisance for



nearby residents. On the basis of extant legislation the violators are brought to the courts where a small penalty is imposed (usually 10 to 20 pounds). Thus, they are actually allowed to violate the law without sanctions against them.

Our environmental legislation does not have a strong machinery for its implementation and generally can be characterized as non-operational and almost ineffective.

#### Committee for Drafting Laws

At the recommendation of the minister of justice and by decision of the Ministerial Council a special committee was established for drafting laws for the protection of the environment. The committee held its first meeting on 29 February and includes representatives of ministries and organizations concerned with the environment, lawyers, etc. Its chairman is Supreme Court Chief Justice Dim. Stylianidis. The committee has already asked the representatives of the ministries to submit reports on their respective environmental laws, the implementation of such laws and other related experiences. The committee will study the existing legislation for the development and protection of the environment and will assess its implementation. At the same time it will make a comparative study of the laws and institutions existing in other countries as well as of the international treaties and proclamations. The committee aims at reforming, improving and systematizing the Cypriot legislation on the environment and, if possible, to assemble them all under a unified law; also, to develop machinery for their effective implementation.

It is, undoubtedly, a commendable and necessary project which, when completed--and it must be done as soon as possible--will form the foundation of an environmental policy. The most important thing, of course, is to reform our legislation which must be implemented strictly and completely. Therefore, it is of great importance to establish and put into operation the proper control machinery. Evidently the most effective way is to assign the implementation of the legislation to a strong central agency for the environment. An indispensable prerequisite, however, is that there will be political decisiveness on the part of the government and resistance to possible pressures by organized economic interests so the new legislation can be adopted and implemented in its first stage.

#### Environmental Service

For the protection of the Cypriot environment the government has taken another positive step, albeit belatedly. It established the Service for the Natural Environment /YFP/ in the Ministry of Agriculture and Natural Resources. The decision was made by the Ministerial Council and the service was staffed a year later. At first it operated as a section of the ministry's committee for the environment whose chairman was the minister himself and whose basic objective was to cope with organizational issues and with special problems for protecting the environment.



Later, two more committees were established and YFP is actively contributing to their task. The first is the mixed committee for the environment which includes elected representatives of the coordinating committee of non-governmental and other environment organizations as well as government personnel, representing agencies dealing with the environment. The committee has a consultation character. Its purpose is to have views and experiences exchanged and to promote the solution of environmental problems of urgent nature or of more general problems for protecting the environment. The committee has already worked on such problems as the pollution of cities with wall posters, the junking of old automobiles in the countryside, the pollution by factories of residential areas, etc. Its chairman is the director of the ministry's section for forests.

The second committee consists of an echelon of experts on the protection of the environment. Its 11 members are appointed by the minister of agriculture and represent the main state agencies which deal with the environment: zoning, geology, water resources, forestry, water environment, public health, ecology, wildlife, etc. It receives direction from the minister when it deems it necessary to study a problem and to arrive at an opinion. This echelon has studied the developmental repercussions on the environment such as, for example, the recommendation for building a factory at Alikí of Akrotiri for processing the wastes of Limassol.

#### Shortcomings

The Service of Natural Environment is headed by Pissaridis. Its mission is to coordinate the efforts for the protection of the environment and to enlighten the public on environmental matters. It has to its credit a number of successes but also faces a number of difficulties, problems and shortcomings. It is a service which is in its infancy and for its development needs the government's full encouragement and assistance. It has a small staff (three persons) and despite its devotion to its mission is unable to cope with its abundant and pressing obligations for protecting the environment. Its budget is minimal and is an obstacle to its work. We note here that if some of the 3,000 civil servants, who according to the Pan-Cyprian Union of Civil Servants represent a surplus, were used in this service and if the unnecessary waste in the state budget was partly curtailed, the environmental service could perform its valuable task without restrictions.

The service not only lacks personnel but also the necessary executive authority for coordinating the efforts of the various ministries. Thus, we witness the curious phenomenon whereby, for one specific environmental issue, various ministries have their own jurisdiction and each one follows its own policy without taking into consideration the efforts of other ministries. When a problem harming the environment arises and needs immediate attention, no one assumes the responsibility for its solution.

Undoubtedly the establishment of the YFP is a step in the right direction, but it will remain a half measure of doubtful value if it is not properly staffed and if it is not given strong executive authority to play the role of a central agency for the protection of the environment.

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